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# Food innovation for good



Puratos is an international group, which offers a full range of innovative food ingredients and services for the bakery, patisserie and chocolate sectors. We serve artisans, retailers, industrial and food service companies in over 100 countries around the world.

Our headquarters are located in Belgium, where the company was founded in 1919. At Puratos, we believe that food has extraordinary power in our lives. We do not take such a responsibility lightly. This is why we aim to help customers be successful with their business, by turning technologies and experience gathered from food cultures around the world into new opportunities.

Together, we move the planet forward by creating innovative food solutions for the health and well-being of people everywhere.

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## Our reporting suite:

-  Cacao-Trace & Next Generation  
Cacao Foundation Annual Report 2022
-  The Bakery School Foundation Annual Report 2022



Read more at [www.puratos.com](http://www.puratos.com)



## Better Health

The way food is produced impacts people's health. That's why health and well-being has always been at the heart of our research and development.

[Read more on Page 22](#)

## Better Planet

We've committed to a set of clear sustainability goals: to become carbon neutral by 2025, water-balanced by 2030, and zero-waste-to-landfill, by 2030.

[Read more on Page 28](#)



## Better Life

No matter how ambitious our future goals and hopes for the planet, Puratos will always balance innovation with tradition and put people first.

[Read more on Page 40](#)



Letter from the CEO



*“In 2022, we developed products that promote health and well-being, and we continued to invest in sustainable solutions.”*

Pierre Tossut  
CEO Puratos Group



# Food Innovation for Good

At Puratos, our purpose is to move the planet forward by creating innovative food solutions for the health and well-being of people everywhere. This past year, we remained committed to that purpose and worked tirelessly to continue to deliver on our promises.



As we look back on the past year, we acknowledge the challenges that we faced as a company and as a global community. The pandemic continued to pose difficulties, and we had to adapt quickly to changing circumstances and worldwide happenings. Despite these challenges, Puratos remained dedicated to providing high-quality products and services to our customers.

Our employees demonstrated remarkable adaptability in the face of market conditions, and we are grateful for their efforts. As the costs of raw materials like wheat, gluten, eggs and fats continued to rise, we have implemented innovative strategies to reduce the cost of the customers' recipes. We introduced new solutions to reduce costs for our customers and help them through difficult times.

We also remained committed to our goal of creating food innovation for good. We developed products that promote health and well-being, and we continued to invest in sustainable solutions to reduce our water consumption and CO<sub>2</sub> emissions.

Throughout the year, we continued to invest in the growth and development of our employees. We opened two new Bakery Schools, including one in the USA that welcomed 59 students. Additionally, we paid a record chocolate bonus of €2m to farming communities as part of our Cacao-Trace program.

We also took steps to optimize our factories and increase productivity. Our operational excellence project within production helped us identify opportunities to standardize our processes, simplify production, and train our production staff better. Two pilots were launched at our sites in Lummen (Belgium) and Pennsauken (USA) with the aim of extending these initiatives into other countries in a later stage.

We are proud to say that our hard work paid off. Despite the challenges we faced, we were able to increase our turnover from €2.2bn to €2.8bn, an impressive achievement.

Looking ahead, we remain focused on our long-term goals. Our strategic 'Go5' plan provides a roadmap for achieving our ambitious 2030 target of €5bn in revenue. We are excited to see these plans come to fruition and enter 2023 with great confidence.

We thank you for your continued support and trust in Puratos.

**Pierre Tossut**  
CEO Puratos Group

**Cédric Van Belle**  
Chairman of the board

## About Us



### Who we are

What started as a father and son operation more than 100 years ago has evolved into a successful international business, and Puratos now offers a full range of cutting-edge services and ingredients to customers in the bakery, patisserie, and chocolate industries.

### Our Purpose

We move the planet forward by creating innovative food solutions for the health and well-being of people everywhere.

### Our Mission

We help customers be successful with their business, by turning technologies and experiences from food cultures around the world into new opportunities. Together, we improve the lives of people and protect the planet.

### Our Values



#### Vision

defines our future by building on our present. It links our strategy with our purpose, paving the road for our teams to execute with excellence. Vision allows us to dream big, tackle and overcome obstacles, and set new ambitions.



#### Courage

is about acting with confidence and optimism when facing adversity. It pushes us to explore new solutions, innovate, and continuously improve. Courage enables us to take calculated risks in the pursuit of our vision.



#### Passion

is what inspires us. Passion for bread, patisserie and chocolate; passion for our people, our culture, our customers, our communities, the planet, and our results. Passion gives us a higher sense of purpose, enabling us to think long-term while delivering short-term results. Passion pushes us to accomplish what initially seemed impossible, to delight our customers.



#### Collaboration

is how we choose to win. Great things happen when our teams work closely together, combining their diverse backgrounds, experiences, and strength.



#### Integrity

is our moral compass. Guided by moral and ethical principles, we treat people with respect, with our values always defining our actions. We have zero-tolerance for unethical behaviors.



#### Quality

is the standard by which we measure all our actions. It's our ambition to get them right the first time, and always strive to learn and improve. Quality is everyone's responsibility, as we push for the highest standards and continuously improve the ways we operate.

GRI 2-1

GRI 2-6

GRI 2-7



Founded in

1919

Employees

10,062

R&amp;D researchers &amp; technical advisors

1,169

Revenue invested in R&amp;D

2%

Products are available in 135 countries

135

129 subsidiaries in 84 countries

129

74 production units in 52 countries

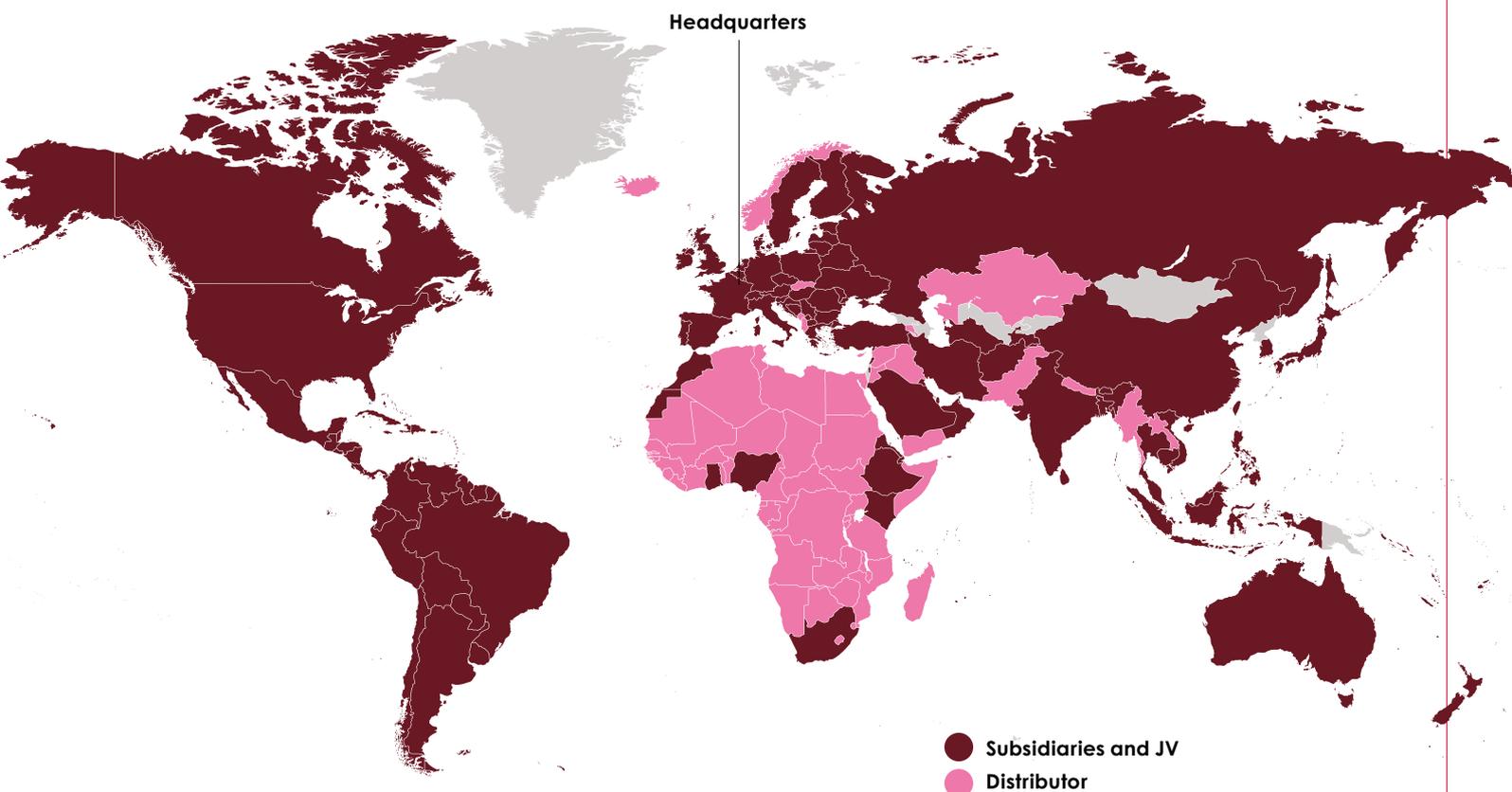
74

Innovation centers around the world

118



Map of activities



# Financial and non-financial highlights

## Key financial highlights

### Net Sales

€2.78bn



### EBITDA

€311.1m



### Investments

€140.3m



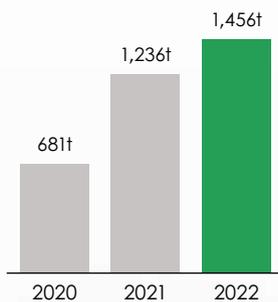


## Key non-financial highlights

### Better Health

Sugar removed from baked goods

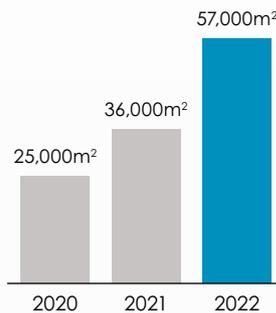
# 1,456 tons



### Better Planet

Solar panels installed

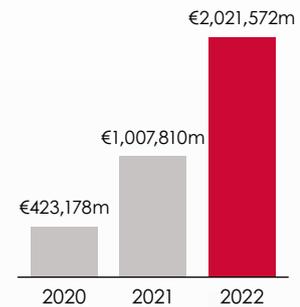
# 57,000m<sup>2</sup>



### Better Life

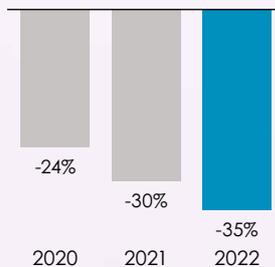
Chocolate Bonus distributed

# €2m



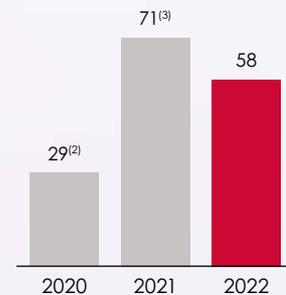
Reduction in scope 1 and 2 CO<sub>2</sub> emissions<sup>1</sup>

# 35%



Students graduated from our Bakery Schools<sup>2</sup>

# 58



<sup>1</sup> Compared to what we would emit without doing anything to mitigate emissions.

<sup>2</sup> 17 in Mexico and 12 in Brazil. Due to Covid no graduation in 2020 in India.

<sup>3</sup> In 2021 we had two classes in India that graduated, the class that should have graduated in 2020 + the ones of 2021 (32 total) + 15 in Brazil and 24 in South-Africa.



## Our Purpose in action

# Cacao-Trace

## Puratos's commitment to sustainable cocoa

Cacao-Trace is our world-leading sustainable cocoa sourcing program that is raising the bar for chocolate, by focusing on superior taste.

While the chocolate industry focuses mainly on quantity and yield increase, our program goes beyond and also focuses on creating a benefit for everyone, through taste improvement.

The program has all the classical elements of sustainable certification programs like farmer field training, fair pricing and diversification of the farmer's production and revenues, but it is unique on 2 points:

### 1. Fermentation in post-harvest centers

Our chocolate is obtained from the highest quality beans, fermented and dried according to strict guidelines. In our post-harvest centers close to cocoa farmers, expert fermentors monitor and improve the fermentation process. This ensures a consistent superior taste for chocolate lovers, and more income for farmers.

### 2. Our unique Chocolate Bonus

Training and premium pricing for cocoa farmers are part of our program, but we are always looking for new ways to improve their lives. With the Chocolate Bonus, we share the value of a higher quality chocolate back: €0.10 per kilo of chocolate sold, goes directly back to the cocoa farming communities we work with. And we apply complete transparency to this process, so €0.10 collected means €0.10 distributed. In 2022, we paid out a record Chocolate Bonus of €2m.

Our Next Generation Cacao Foundation – which you can read more about on page 56 – is responsible for the collection and distribution of this premium. All financial transactions are controlled and registered, to monitor the quantity of beans purchased and ensure fair compensation for farmers.

### An exceptional world of exceptional chocolate

Across six countries – the Philippines, Ivory Coast, Papua New Guinea, Uganda, Cameroon, Vietnam and Mexico – 10,784 farmers are already reaping the benefits of our innovative Cacao-Trace initiative. Our program is not just about improving their means of subsistence; it's about paving the way towards a more sustainable future for the entire cocoa industry.



Meet some of our farmers in [this video](#).





Chocolate Bonus

€2m

Farmers

10,784

# Bakery Schools

## The future is what you bake of it

We believe in supporting underprivileged communities in the countries where we operate. After all, our 'food innovation for good' mantra is not only a tagline – it is truly part of our international business philosophy.

The Puratos Bakery Foundation was established in 2016 with the aim of providing quality education to young people in the bakery, patisserie, and chocolate sectors, particularly those from underprivileged backgrounds. We recognized that there was a lack of well-trained, qualified labor in these industries, which was impacting the growth and success of our customers.

As a global leader in the sector, we were in a unique position to offer students the means to learn high-quality skills from best-in-class faculty members, as well as the opportunity to be hired by top-class employers in the bakery and hospitality sector. Since then, we have opened Bakery Schools in nine countries, graduating 58 students in 2022 alone.

Each Bakery School is managed by a group of local, motivated Puratos employees who oversee day-to-day operations, with regular calls with the management team in Belgium to discuss any issues. Schools report to the management team of the Bakery Foundation in Belgium, which meets four times a year to discuss challenges such as retention rates, costs and budget, and opening new schools. The management team reports to the Board of Directors, which is responsible for budget-related decisions and decisions on opening new schools.

We are proud that our Bakery School initiative is not only helping young people in underprivileged communities, but it also benefits our customers in the bakery, patisserie, and chocolate sectors. Our graduates have relevant and up-to-date theoretical knowledge, as well as a wealth of hands-on experience, creativity, ambition, and potential. This makes them valuable assets to our customers, who can hire them directly or work with them through apprenticeships.

In 2022, we also launched our first Bakery School in the USA, in Pennsauken, New Jersey, in partnership with Pennsauken High School. Our aim is to introduce students from this largely underprivileged community to baking and help them begin careers in the industry. The curriculum includes the fundamentals of baking, pastry and chocolate-making, with a focus on practical and artisan skills.

With our success so far, we plan to build on it by opening a new Bakery School every year. Our goal is to have 1,000 students in education in our schools around the world, helping us to reach more communities and positively impact more lives.

 **Read more in The Bakery School Foundation Annual Report 2022.**



*“We can make a real difference to the lives of young people and make an important contribution to our industry in one of the most economically challenged boroughs in the State of New Jersey and the country. We have the skill and the will to create a life-changing social contribution right here on our doorstep by providing a launchpad to a career path in the bakery industry for people who may otherwise not have the opportunity.”*

**Andy Brimacombe**  
President of Puratos USA

Bakery Schools



9

Students

424



Our Purpose in action continued

# Taste Tomorrow

## Unveiling the future of bakery, patisserie and chocolate

Puratos's proprietary Taste Tomorrow research program is revolutionizing the way to approach consumer trends. By combining a decade of data and extensive expertise, we help our customers to make the future of food a reality today.

With Taste Tomorrow, we stay ahead of the curve by combining the latest digital technologies and Semantic Artificial Intelligence techniques. We leverage a diverse range of sources to collect data, including surveys with over 17,000 consumers across 44 countries, and interviews with customers and industry experts. This data is complemented by a global trend-spotting network, exhaustive sensory research, and unique partnerships with researchers and universities.

### Always-on consumer insights

Our in-depth insights into global and local consumer expectations, behaviors and attitudes offers a foodstep into the future. We continuously track the evolution of trends, unveil new ones and predict where it may be headed tomorrow. This knowledge helps our customers to discover new opportunities and be even more successful in the future.



Curious about Taste Tomorrow? Scan here to watch a video.



Always On  
Consumer  
Insights

Consumers interviewed

17,000

Countries consumers are from

44



# Puratos's Sustainability Approach

At Puratos, we are deeply committed to creating a positive impact on society and the environment, and our mission is to safeguard the future for forthcoming generations.

Our sustainability approach is not just a set of goals and objectives; it is ingrained in everything we do. We see it as **our commitments to you and to future generations**, and we hold ourselves accountable for the progress we make towards achieving our sustainability goals.

Our sustainability approach is centered around a holistic operating model that is sustainable, respectful, and balanced. We believe that people are at the heart of everything we do, and we are dedicated to creating a caring working environment that welcomes diversity and promotes personal development. That's why we work in harmony with the communities we are a part of, ensuring safe and stable revenue for farmers around the world, and investing in life-changing, educational opportunities through our Bakery Schools initiative.

To reduce our environmental impact, we have implemented a comprehensive sustainability program that includes reducing our greenhouse gas emissions, improving our water management, and reducing waste.

Preserving traditional ways of making bread, cakes, and chocolate, and sourcing our raw materials responsibly, are at the heart of our sustainability approach. We work closely with our suppliers to ensure that our raw materials are sourced responsibly, and we are committed to preserving local traditions and cultures. We are also committed to creating products that contribute to a healthier lifestyle while reducing our carbon footprint.

Our sustainability strategy is translated into three ambitions: **Better health, Better planet, and Better life**. We are committed to creating products that contribute to a healthier lifestyle while reducing our carbon footprint. Our passion for the planet drives us to continuously innovate and invest in sustainable solutions that minimize our impact on the environment.

We are proud of the progress we have made towards achieving our sustainability goals, but we know that there is still much more to be done. We are committed to working towards a sustainable future for all, and we will continue to innovate and invest in sustainable solutions to minimize our impact on the environment and society.



*"I'm a big believer that food is part of the solution to climate change and environmental concerns – but it needs to reinvent the way it works and, at Puratos, we're leading the way. Throughout 2022, despite all the challenges we faced, and the temptation to treat sustainability as an afterthought, it was always front and center in everything we did. I'm really proud of our continued commitment to our long-term sustainability objectives."*

**Laurent Thomé**  
Group Sustainability Manager



## Our commitments to You and Future Generations

We know we have a social and environmental responsibility throughout our entire value chain, right from the sourcing of raw materials to the consumption of products by consumers. And, as a responsible food company, we believe it's important to deliver a substantial social contribution in all the locations we operate.



### Better Health

The way food is produced impacts people's health. That's why health and well-being has always been at the heart of our research and development.

[Read more on Page 22](#)

### Better Life

No matter how ambitious our future goals and hopes for the planet, Puratos will always balance innovation with tradition and put people first.

[Read more on Page 40](#)



### Better Planet

We've committed to a set of clear sustainability goals: to become carbon neutral by 2025, water-balanced by 2030, and zero-waste-to-landfill by 2030.

[Read more on Page 28](#)

### Puratos SDGs

Puratos is a member of the UN Global Compact, and we're committed to embedding its principles throughout the Group.

[Read more on Page 18](#)



# Sustainability in our Organisation

## Materiality Assessment Summary

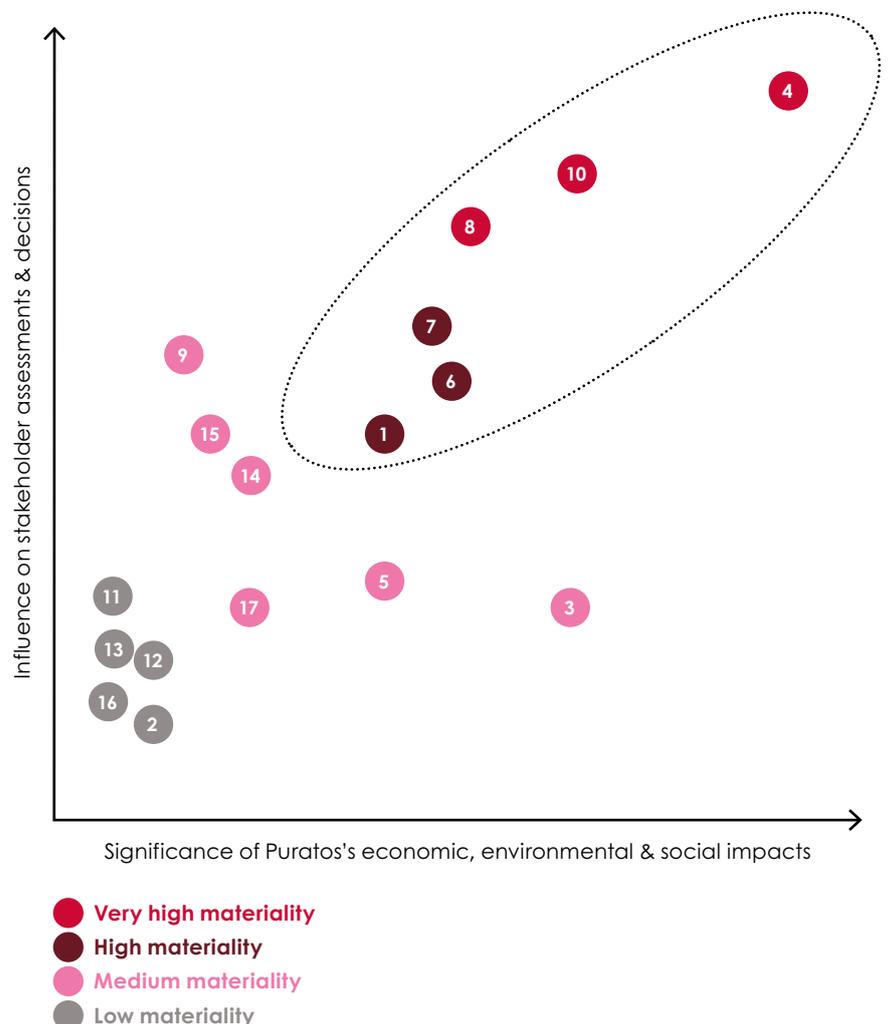
Our materiality assessment allows us to identify the issues that matter most to our business and to our stakeholders. To better support our strategic decision making, potential social, ethical, environmental, and economic concerns are identified and evaluated to determine associated risks and opportunities for Puratos's reputation, revenues, and costs.

By studying and analyzing the wider context of Puratos's operations, we selected 17 material topics affecting consumers, customers, suppliers, communities, investors and other stakeholders in the countries where we operate and source.

Each topic is assigned a level of priority, based on surveys and interviews with respondents representing our different stakeholder groups: communities and societies, customers and consumers, employees, government, shareholders and investors, suppliers and NGOs.

 You can find more details on our approach to materiality on Page 68

Topic
4 Greenhouse gas emissions
10 Healthy, natural and nutritious products
8 Environmentally-friendly products and sustainable ingredients
7 Transparent and responsible sourcing
6 Sustainable and circular packaging
1 Responsible and ethical business conduct
9 Food quality and safety
3 Food waste
15 Employee health, safety and well-being
14 Employee diversity, inclusion and equal opportunities
5 Water stewardship
17 Community engagement and development
11 Healthy, natural and nutritious diet awareness
12 Thought leadership and preservation of food culture
13 Products and ingredients resilience
2 Non-food waste
16 Employee learning and development





## Supporting our strategy with a top-down approach

Our sustainability strategy, vision and objectives are defined at Group-level, under the leadership of our Board of Directors and Group Executive Committee. Our Future Generations Steerco reports directly to the CFO. The Steerco meets six times a year to share progress on meeting targets, explore opportunities to drive further progress, discuss new projects, ideas and innovations and update our materiality assessment. Our CSR Committee also ensures we're aligned on our commitments and future developments across the Group.

Our objective is that everyone who works with Puratos recognizes the importance of sustainability, and below you can see how we embed sustainability throughout our business.

GRI 2-1

GRI 2-1

### Guidelines

Set up clear sustainability guidelines and procedures.

### Create awareness

Inform all employees about different sustainability topics by offering training sessions.

### How we act

Incorporate sustainability in work and daily life.

**Embed sustainability into business and decision-making processes.**



# Puratos and the Sustainable Development Goals

SDG Goal	UN targets	Our relevant commitments	Commitments
	1.1 1.2 1.4 1.5	<ul style="list-style-type: none"> <li>Bakery Schools ensure job security for underprivileged young people.</li> <li>Our Cacao-Trace program helps create a better life for farmers.</li> </ul>	
	2.3 2.4	<ul style="list-style-type: none"> <li>We pay Cacao-Trace farmers by a quality premium and a totally unique Chocolate Bonus.</li> <li>We train our cocoa farmers to increase their yield – and, as a result, their revenue.</li> <li>By storing 139 sourdoughs of 27 countries, we help preserve bread culture.</li> </ul>	
	3.8 3.9	<ul style="list-style-type: none"> <li>We offer employees and their families medical assurance, giving them access to quality, essential healthcare services.</li> <li>Our Cacao-Trace program provides information on authorized agrochemical products and ensures there is no use of prohibited pesticides during cocoa cultivation. We also train cocoa farmers on the handling, mixing, storage and disposal of agrochemicals.</li> </ul>	
	4.3 4.4 4.5 4.7	<ul style="list-style-type: none"> <li>Puratos University provides employees with training on products, functional capacities and leadership skills.</li> <li>Our 118 Innovation Centers offer technical training, expertise and in-depth research to our customers.</li> <li>We educate and train our cocoa farmers on fermentation techniques, so they can sell better-quality cocoa at a higher price.</li> <li>Our Bakery Schools give students a quality education that leads to job opportunities.</li> <li>Through our Cacao-Trace program we collaborate with local communities, with new schools and infrastructure built thanks to Chocolate Bonus distribution.</li> </ul>	
	6.3 6.4	<ul style="list-style-type: none"> <li>Our factory in Andenne, Belgium, reduced water use by 25% by reusing water discharge. As a result, our overall water footprint was reduced by 3%.</li> </ul>	
	7.3 7.4	<ul style="list-style-type: none"> <li>We installed wind turbines at our site in Lummen, Belgium, and at Belcolade, which could provide up to 100% of annual electricity needs.</li> <li>By 2025 we will have installed solar panels in 39 countries, and will be able to produce 17% of electricity needs on-site.</li> <li>Work has already started on making our Belcolade chocolate factory in Erembodegem, Belgium, carbon neutral while doubling its capacity. It will run entirely on green electricity and use heat pumps, becoming a world reference for utility integration and energy efficiency.</li> </ul>	



Puratos is a member of the UN Global Compact, and we're committed to embedding its principles throughout the Group. We engage in collaborative projects that advance the broader development goals of the United Nations, particularly the Sustainable Development Goals (SDGs). We create awareness among our employees, suppliers and customers, so every part of our supply chain contributes to the realization of the SDGs.



SDG Goal	UN targets	Our relevant commitments	Commitments
	8.5 8.6	<ul style="list-style-type: none"> <li>We pay all employees fairly and competitively, contributing to a decent work environment.</li> <li>We offer job security to all students that graduate from our Bakery Schools. Since 2016, 304 students have graduated and gained employment by Puratos or one of our clients.</li> <li>We ask all suppliers to sign our Code of Conduct, to ensure the same levels of ethical requirements are maintained throughout our supply and production chains, and to eradicate any form of forced labor.</li> </ul>	
	9.4	<ul style="list-style-type: none"> <li>Our production site in Erembodegem, Belgium, will be made more sustainable through increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes – allowing the current site and its future extension to become carbon-neutral.</li> </ul>	
	12.2 12.3 12.4 12.9	<ul style="list-style-type: none"> <li>By informing clients of the composition of our products, they can make healthy food choices.</li> <li>By sourcing palm oil, cocoa, eggs, and fruit in a sustainable way, we contribute to the efficient use of our natural resources.</li> <li>By training cocoa farmers on fermentation techniques, we help them to decrease their post-harvest losses.</li> <li>By putting in place a waste management program, we aim to prevent, reduce, reuse, and recycle our waste.</li> </ul>	
	13.3	<ul style="list-style-type: none"> <li>We run webinars for our employees to improve education and raise awareness on climate change mitigation, adaptation, impact reduction and early warning.</li> </ul>	
	15.1	<ul style="list-style-type: none"> <li>By compensating our CO<sub>2</sub> emissions through a 'carbon in-setting program' within our cocoa supply chain, we are further decreasing our carbon footprint by planting hundreds of thousands of trees.</li> <li>By supporting the Rimba Raya project in Borneo, we will halt deforestation, restore degraded forests, and halt the loss of biodiversity.</li> </ul>	
	17.2	<ul style="list-style-type: none"> <li>As a member of Beyond Chocolate and the Cocoa Forest Initiative, we can work on eradicating forced child labor, assuring a living income for the cocoa farmers, and stopping deforestation.</li> </ul>	

## Our Commitments



Health &  
Well-Being



Responsible  
Sourcing



Environment



Heritage



People



Communities

# Our long-term objectives

	2022	2023	
Better Planet	 <p><b>CO<sup>2</sup> neutral</b></p> <p>Read more on Page 34</p>	<p><b>35%</b></p> <p>Reduction in our Scope 1 and 2 CO<sup>2</sup> emissions compared to 2016.</p>	 <p><b>100%</b></p> <p>Renewable electricity purchased by 2023.</p> <p>Belcolade is expanding to become the world's first CO<sup>2</sup> -neutral Belgian chocolate factory.</p>
	 <p><b>Water-balanced</b></p> <p>Read more on Page 37</p>	 <p><b>€1.8m</b></p> <p>invested in seven wastewater treatment projects.</p> <p><b>3%</b></p> <p>Reduction in our water consumption per ton produced (versus 2021).</p>	
Better Life	 <p><b>Bakery Schools</b></p> <p>Since 2016, 304 students have graduated and gained employment by Puratos or one of our clients.</p> <p>Read more on Page 55</p>	 <p><b>58</b></p> <p>58 students graduating in 2022 across our Bakery Schools in nine countries.</p> <ul style="list-style-type: none"> <li>• 6 in India</li> <li>• 18 in Brazil</li> <li>• 10 in Mexico</li> <li>• 24 in South-Africa</li> </ul>	 <p><b>424</b></p> <p>Students currently enrolled in the Bakery Schools program with new Schools opened in the USA and Lebanon.</p>
	 <p><b>Cacao-Trace</b></p> <p>Cacao-Trace is the only sustainable cocoa sourcing program that redefines the standard for chocolate.</p> <p>Read more on Page 56</p>	 <p><b>€2m</b></p> <p>(Approx.) Record Chocolate Bonus paid out in 2022.</p>	 <p><b>10,784</b></p> <p>Farmers currently benefiting from the Cacao-Trace initiative.</p>



2025

2030



By 2025, make our direct operations carbon-neutral, and develop a plan for Scope 3 net-zero.



By 2030, be water-balanced – reducing our own water consumption, improving the quality of our water discharge, and reducing water risks in our value chain.



1,000

Students in the Bakery Schools Program by 2030.



€4m

Annual Chocolate Bonus to be reached by 2025.

# Better Health



## Health & Well-Being

**1,456 tons**

Our innovations enabled a 1,456-ton reduction in the amount of sugar in bakery, patisserie and chocolate products.

 [Read more on Page 23](#)



## Safety and Quality of products

**98.9%**

of our goods are produced 'right first time'.

 [Read more on Page 26](#)

GRI 2-25

GRI 3-3



## Health & Well-Being

At Puratos, we recognize that consumers are increasingly prioritizing the quality and nutritional value of their food. As a food ingredients supplier, we believe it is our responsibility to help people everywhere achieve a healthy, balanced diet and support their overall well-being. This commitment is deeply linked to our purpose as a company, which is to help our customers and partners create delicious, nutritious, and sustainable food products.

Nurturing consumers' health and well-being has been part of Puratos's DNA for more than 100 years. For decades, Puratos has worked tirelessly to improve the nutritional value of its products and launch more transparent 'cleaner labels', as well as organic, gluten-free and plant-based alternatives. Our goal is to provide people with nutritious food that can help them live healthier lives.

To support and implement this vision, we are committed to providing products and solutions with the best nutritional value possible, without compromising on taste, quality, or safety. We systematically optimize the nutritional value of all our product ranges, in line with the nutritional guidelines of the World Health

Organization. This means continuously investing in research and development to create new products with the improved nutritional profile.

At Puratos, we believe that food has extraordinary power in our lives: the power to nourish and to comfort. That is why we constantly strive to grow our positive impact by creating innovative food solutions that promote the health & well-being of people everywhere. We believe that by working together with our customers, partners, and stakeholders, we can make a positive impact on people's lives.



*At Puratos, we believe that good food should not only taste great, but also contribute to people's health and well-being. As a food solutions supplier, we have a responsibility to ensure that the products we offer are nutritious, safe, and of the highest quality. We are committed to nurturing consumers' health and well-being, while continuing to innovate in the bakery, patisserie, and chocolate industry. Our goal is to help our customers create products that not only delight their taste buds, but also contribute to a healthier and more sustainable world.*

**Paul Baisier**  
Chief R&D Officer



## Our long-term objectives

We aim to indirectly answer consumers' healthy diet and lifestyle needs by:

- Further increasing the amount of fiber-rich grains, nuts, seeds, and fruits in our products.
- Further decreasing the amount of sugar, salt, and saturated fat we include in our products.
- Increasing the amount of clean(er) label, organic, gluten-free, and plant-based alternatives.

By 2030, we aim for health and well-being products to represent 50% of our sales.

## Key Performance Indicators

Of fruit processed into our fruit fillings – the equivalent of harvesting nearly 320,000 fruit trees<sup>1</sup>. This results in a year-on-year growth of 5% since 2016.

# 15.9k tons

Of cereals and grains used in our products – the equivalent of harvesting 6,721 hectares of crops<sup>2</sup> and which results in a year-on-year growth of 8% since 2016.

# 36k tons

Our innovations enabled a 1,456-ton reduction in the amount of sugar in bakery, patisserie and chocolate goods – the equivalent of more than eight million sugar dispensers<sup>3</sup>. This results in a year-on-year decrease of sugar present on the market of 31% since 2016.

# 1,456 tons

We removed 12,503 tons of fat – the equivalent of more than 14 million bottles of oil<sup>4</sup>. This results in a year-on-year increase of fat removed from the market of 26% since 2016

# 12k tons

We removed 126 tons of salt – the equivalent of more than a million (1,098,126) saltshakers<sup>5</sup>, a further decrease of 15% versus 2021.

# 126 tons

### The health focus

We aim to provide the most nutritionally wholesome products possible, without compromising on taste, texture, quality, or safety. With science on our side, we continuously improve our product range to make it better and healthier.

We aim to systematically optimize the nutritional values of new and existing products, and increase the availability of ingredients recognized for their positive impact on health – such as fruits, fibers and wholegrains – while decreasing the presence of ingredients such as salt, sugar, and certain fats.

### Grains & Seeds guidelines

We increase the quantity of grains and seeds in our products. We promote the use of wholegrain versions to stimulate the consumption of bakery and patisserie products containing higher levels of grains, wholegrains and seeds – helping consumers around the world reach their recommended daily intake of fiber.

<sup>1</sup> Based on the average harvest of an apple tree: 500 apples of 100 grams each.

<sup>2</sup> Based on [https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/overviews/market-observatories/crops/cereals-statistics\\_en](https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/overviews/market-observatories/crops/cereals-statistics_en).

<sup>3</sup> Based on the content of a standard 20cl sugar dispenser.

<sup>4</sup> Based on 1l oil bottles.

<sup>5</sup> Based on the content of a standard 10cl saltshaker.

<sup>6</sup> SAP scope, data available on February 16, 2023.

### Gut Health guidelines

The link between gut health and overall health is well established in the mind of consumers: a healthy gut positively influences both physical and mental health. Puratos's Happy Gut range contains gut-health-promoting compounds – such as specific types of fibers that can support consumers' gut health.

### Fruits guidelines

Increase whenever possible the fruit content in fillings or the fruit filling content in the final application (our 'finished goods' approach).

### Salt guidelines

We offer solutions to reduce the quantity of salt in baked goods, helping consumers stick to 5g of salt per day – as recommended by the World Health Organization.

### Fat guidelines

We aim to remove or reduce fats, especially those of low nutritional quality – for example those rich in saturated fatty acids – or replace them with fats of good nutritional quality, such as those rich in unsaturated fatty acids. We also focus on removing trans fatty acids and replacing them with healthier fat sources.

### Sugar guidelines

Puratos helps lower sugar consumption through its complete range of sugar-reduced patisserie and chocolate products. We also rework existing recipes to reduce sugar content. Any sugar removal, reduction or replacement action should not compromise on the taste, texture and quality of our finished goods.



### The Well-being focus

Our Taste Tomorrow program gives us in-depth insights into global and local consumer behaviors, attitudes, and choices. With that in mind, we offer the right product ranges to cover consumers' desire for gluten free, transparency or plant-based alternatives.

### Clean(er) Label guidelines

More and more consumers want to reduce ingredients perceived as undesired, such as additives and artificial colors and flavors. Puratos offers clean and cleaner label alternatives to support shorter, clearer, cleaner ingredient lists for finished products.

### Gluten-free guidelines

As an increasing number of people choose to avoid gluten, wherever possible Puratos provides nutritionally balanced gluten-free alternatives without compromising on taste or texture.

### Organic guidelines

To answer the increasing demand for more natural products, wherever possible Puratos provides an organic alternative without compromising on taste, texture or overall functionality.

### Plant-based guidelines

As the demand for plant-based and vegan diets continues to rise, we understand the importance of providing high-quality plant-based ingredients to meet this demand. We offer a range of plant-based solutions that deliver great taste and functionality.





## Food safety and quality of our products

Puratos believes a quality mindset must be present at every step, starting and ending with the customer, to support and enhance the Group's food safety and the quality of our products.

To achieve this goal, we focus on six key areas:

- 1. Driving a mindset of continuous improvement.** This enables us to define and implement improvements that meet the specific challenges we face today – and those we'll face in the future.
- 2. Developing food safety and quality leadership in our teams** throughout the organization, working in full interdependency with all parts of the business. Working together to solve problems helps to build and to strengthen existing teams, and will result in people feeling more satisfied – in turn directly impacting the way things are done.

- 3. Supporting R&D on excellence in innovation** while ensuring the safety of our products.
- 4. Developing, implementing, and continuously improving** our 'best-in-class' quality and food safety management systems, providing measurable results in our operations, performance and customer satisfaction.
- 5. Supporting the development and improvement of reliable processes** to reduce customer complaints and increase likelihood of being 'right first time'.
- 6. Sourcing and delivering the right quality.**

### Our long-term objectives

- Ensuring 100% of Puratos facilities are certified according to one of the GFSI (Global Food Safety Initiative) standards, including unannounced audits.
- By 2030, all our production sites will have a clear plan to reach world-class quality, aligned with our Operational Excellence program – which includes our zero Food Safety crisis strategy.

### Key Performance Indicators

Puratos products are produced by Puratos facilities certified by one of the GFSI-acknowledged standards (BRC, IFS, SQF, or FSSC22000).

**99.6%**

Customer complaints per 1,000 tons of product delivered.

**3.77**

'Right first time' production

**98.9%**





### 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, helping us identify and prioritize specific areas of risk.

We've been consistently improving our performance in customer complaints, as shown in the chart opposite.

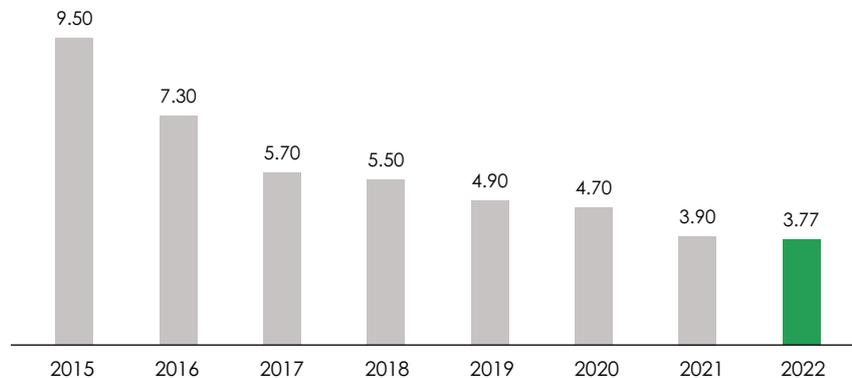
We have made significant progress in improving our right first time (RFT) percentage. This metric reflects the percentage of products that meet the correct specifications on their first attempt, and is calculated by comparing the total tons produced with the total tons that are blocked. Our commitment to improving RFT has led to consistent progress in ensuring that our goods are produced to the highest quality standards.

In addition, we've been working with R&D to improve the capability of our product process specifications – minimizing the risk of having product out of specification and improving the robustness of our processes.

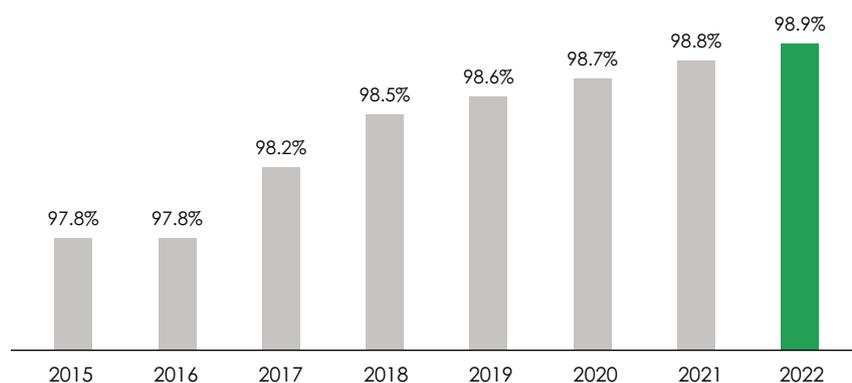
### Our external approach

At Puratos, we prioritize food safety at every level of our supply chain. Each of our subsidiaries takes steps to verify that our suppliers of raw materials and packaging meet our stringent food safety requirements and maintain robust traceability systems. We accomplish this through a combination of supplier questionnaires, audits, and other measures. To ensure consistency across our global operations, we have established a group supplier audit standard that all our subsidiaries adhere to. By maintaining rigorous standards for our suppliers, we can provide our customers with the highest-quality products that meet our exacting specifications.

### Customer complaints per 1,000 tons of product delivered



### Percentage of goods produced 'right first time'



At our company, we are committed to maintaining the highest standards for food safety and quality in all of our products. To achieve this goal, we conduct a growing number of audits of our suppliers and co-producers around the world. These audits enable us to verify that the ingredients and packaging we use meet our exacting

standards for quality and safety. We conduct both direct and third-party audits to ensure that all aspects of our supply chain are thoroughly vetted. By increasing the frequency of these audits, we can identify potential issues early on and take swift action to resolve them, ensuring that our customers receive only the best possible products.



# Better Planet



Responsible Sourcing

**215,000**

trees planted.



Read more on Page 29



Environment

**90%**

of our total electricity comes from renewable sources.



Read more on Page 34

GRI 2-6

GRI 2-23

GRI 2-24

GRI 2-25

GRI 2-28

GRI 3-3



## Responsible Sourcing

### Our commitment to ethical trade practice

To manufacture high-quality ingredients for our bakery, patisserie, and chocolate industry, Puratos sources many different raw materials from around the world. We are 100% committed to responsible sourcing and make sure we collaborate and maintain an open dialog with the people involved in our supply chain.

At Puratos, we recognize that the demand for certain ingredients and raw materials can put pressure on natural ecosystems and affect the sustainable development of local communities. Therefore, we have implemented specific policies for raw materials such as palm oil, cocoa, fruit, and eggs, developed by representatives from our quality, purchasing, and sustainability teams, and from specific business units.

We ask all our suppliers to sign our Supplier Code of Conduct, or to share theirs with us, to make sure we develop sustainable and ethical value chains. In particular, we ask suppliers to commit to:

- Providing good working conditions (contracts, health and safety, equal opportunities).
- Opposing slavery, all forms of forced labor, including child labor, and all other forms of abuse and exploitation.
- Being compliant with local environmental regulations and conservation, including deforestation and the use of harmful pesticides.

Our Code ensures full transparency and represents our moral commitments to the different players throughout our value chain. These policies are reviewed and approved by the Sustainability Committee in the first instance, then presented to the Board of Directors for approval.

In 2022, we started to follow up more actively with our suppliers on their compliance with our Code. We upgraded our Sedex membership and performed a risk assessment on our suppliers, allowing us to map them into high, medium, and low-risk categories. For those seen as high risk, we investigated their non-conformance points and asked them to come up with an action plan to solve these in a timely manner.

We believe that responsible sourcing is key to ethical trading, and we make it our priority to ensure that our entire supply chain has the same ethical standards, so that we can give you our guarantee that the production and sourcing process has been truly responsible. At Puratos, we are dedicated to meeting the demands of our customers and consumers, while also preserving the planet for future generations.

 Sustainably sourced lemons from Sicily.

## Better Planet continued



### Human Rights and Child Labor

The protection of human rights is at the heart of public awareness and one of Puratos's core values. Our policy on human rights respects and acknowledges internationally recognized principles, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labor Organization and the 10 principles of the United Nations Global Compact.

### Traceability

Puratos has established a group-wide procedure for ensuring the traceability of all raw materials, finished and semi-finished products, and food contact packaging. This includes assigning a clear and adequate identification number to each raw material, finished product or packaging.

Our traceability system allows us to trace forward – from raw materials to finished product – and back again, throughout our entire supply chain, and undergoes annual testing. Each of our subsidiaries ensures that their suppliers of raw material and food contact packaging have efficient traceability systems in place, which is managed through supplier questionnaires, our supplier requirements, and supplier audits.

### Sustainable partnerships and certification schemes

#### Sedex

Puratos is a member of Sedex, the Supplier Ethical Data Exchange – a not-for-profit organization dedicated to driving improvements in responsible and ethical business practices in global supply chains. The Sedex tool gives us a better understanding of our supply chain and helps us 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, surveys, and certifications, and contributes to the continual improvement of the social and environmental conditions in our supply chain.

#### Beyond Chocolate

Beyond Chocolate is a partnership for sustainable Belgian chocolate. As a member since 2018, Puratos commits to working with signatories on a range of challenges in the field of sustainable chocolate – such as deforestation, child labor and a livable income for local cocoa producers. In concrete terms, by the end of 2025, all Belgian chocolate produced or traded in Belgium will meet relevant certification standards or will be produced using cocoa products from company-specific sustainability programs.

#### Cocoa & Forests Initiative

The Cocoa & Forests Initiative (CFI) is a public-private partnership organized by the World Cocoa Foundation, IDH – the Sustainable Trade Initiative, and The Prince of Wales's International Sustainability Unit, in partnership with the Governments of Ivory Coast and Ghana. The Frameworks for Action for Ivory Coast and Ghana define core commitments, verifiable actions, and timebound targets required for a deforestation-free and forest positive supply chain. Puratos has been a signatory since 2020.

#### World Cocoa Foundation

Youri Dumont, Puratos Business Unit Director, Cocoa and Chocolate, is member of the board of directors of the World Cocoa Foundation (WCF) – an international membership organization promoting sustainability in the cocoa

sector by providing cocoa farmers with the support they need to grow more quality cocoa and strengthen their communities. WCF's members represent more than 80% of the global cocoa market, including cocoa and chocolate manufacturers, processors, supply chain managers, and other companies worldwide.

#### Fedima

Puratos is member of the Federation of European Manufacturers and Suppliers of Ingredients to the Bakery, Confectionery and Patisseries Industries (Fedima). Fedima's mission is to create a favorable environment to ensure a sustainable and innovative bakery industry. One of its main objectives is transparency in products and processes towards customers and consumers. Fedima also focuses on food safety, the promotion of the bakery sector, and occupational health and safety. Jean-Philippe Michaux, Puratos CFO, is the chairman of Fedima's Sustainability Committee.

#### Fevia

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

 **Review our commitments to our Sustainable partnerships on page 19.**



## Our commitment to sustainable palm oil

### Our long-term objectives

- By the end of 2025, all palm oil purchased by the Puratos Group will be RSPO (Roundtable on Sustainable Palm Oil)-certified under the Mass Balance supply chain model, if not segregated.

### Our approach

Puratos recognizes the importance of palm oil as an essential raw material that enables us to supply our customers and their consumers with quality products. However, we are also aware of the serious concerns regarding palm oil supply chains and the risk of deforestation.

Our commitment to sustainable palm oil cultivation that respects biodiversity, natural ecosystems, local communities, and workers in palm oil-producing countries is at the forefront of our efforts. To achieve this, we have implemented a traceability system that allows us to trace our supply chain from raw materials to finished products and back again. We are committed to trading with certified



### Key Performance Indicators

**Production sites currently RSPO certified, with Puratos Korea joining the multi-site certificate in 2022.**

# 32

**We increased the purchase of sustainable palm oil from 44% in 2021 to 58% in 2022, under the RSPO Mass Balance and Segregated supply chain models.**

# 58%

suppliers who share our values and support the production of sustainable palm oil for the total palm oil consumption of our group.

Puratos is a member of the RSPO and the Belgian Alliance for Sustainable Palm Oil (BASP) and made a commitment to use 100% sustainable palm oil in all products sold on the Belgian market as of 2020. We have achieved this goal by increasing our purchase of Mass Balance and Segregated palm products and supporting the production of RSPO-certified palm through Book and Claim, including credits from independent smallholders.

Our commitment to a sustainable palm oil supply chain is guided by the following principles:

- Free of deforestation and the use of fire.
- Safeguards biodiversity and wildlife.
- Conserves peatlands.
- Protects forests by enhancing high conservation value (HCV) areas and high carbon stock (HCS) forests.
- Behaves ethically and respects the rights of workers and local communities, in line with international human rights principles and local laws.
- Improves working conditions and the livelihoods of workers through responsible production, education, and health services.
- Promotes the inclusion of smallholders.
- Lives up to high standards of transparency through reporting of traceability up to the palm oil trees.

We are asking our main suppliers to sign our palm oil sourcing policy to ensure that our commitments are aligned with theirs. At Puratos, we believe that sustainable palm oil production is not only a business imperative but also a moral obligation.

 **Read more about our Palm Oil Policy online: [www.puratos.com/commitments/next-generation/better-planet/responsible-sourcing](http://www.puratos.com/commitments/next-generation/better-planet/responsible-sourcing)**

### Case Study

## 100% RSPO Mass Balance margarines in Spain

Puratos has launched a range of 100% RSPO Mass Balance (MB) margarines in Spain, as part of its commitment to sustainable palm oil use.

The Aristo Margarines are ideal for use in laminated products, cakes, and soft breads, offering a buttery flavor while meeting sustainability standards. A great solution for artisan and industrial producers looking for sustainable ingredients.



# Better Planet continued

## Our commitment to sustainable cocoa

### Our long-term objectives

- By 2025, Puratos will have planted 1.6m trees in its direct Cacao-Trace cocoa supply chain – to promote climate-smart farming techniques, provide additional income, and sequester carbon.
- 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, The Next Generation Cacao Foundation has the ambition to double its contribution toward cocoa farmers every two years.

### Our approach

Cocoa is an essential raw material for the production of real chocolate, coating chocolate, fat-based fillings, and bakery mixes. We are very much engaged in creating a sustainable future for the next generations through close collaboration with key stakeholders and are truly convinced that the sector challenges – such as farmer income, forced labor and deforestation – can only be tackled by all stakeholders from the cocoa and chocolate chain working together, and by involving consumers.

This is born out of our Cacao-Trace program, which focuses on quality and brings additional income to 10,784 farmers around the world. In 2022, we paid out a record Chocolate Bonus of €2m to our community of farmers.

### Key Performance Indicators

In 2022, our share of sustainable cocoa increased to

**44%**

of which 15% was through our audited Cacao-Trace program.

Trees planted

**215,000**

You can read more about Cacao-Trace on page 8, and our Next Generation Cacao Foundation on page 56.

We're committed to a verified and certified cocoa supply chain, as described in our policy on sustainable cocoa that we ask our main suppliers to sign. The full policy can be reviewed here: [www.puratos.com/commitments/next-generation/better-planet/responsible-sourcing](http://www.puratos.com/commitments/next-generation/better-planet/responsible-sourcing).

We're committed to a cocoa supply chain that respects ethics and integrity. Both are elements included in our Supplier Code of Conduct, which supports our ongoing commitment to the implementation of the international standards outlined above.

These standards are in addition to our own efforts to cover every link of our supply chain, tracing right back to farmers and plantations.

Protecting human rights throughout our supply chain is a critical part of the Puratos mission. Guided by the ILO's Declaration on Fundamental Principles and Rights at Work as a minimum, we expect every supplier to uphold these standards.

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

- No discrimination based on race, color, religion, nationality or social origin.
- No forced labor.
- No unacceptable form of child labor.
- No exploitation of people or local communities.

We're committed to a cocoa supply chain free of deforestation and forest-positive – meaning we aim to sequester more carbon than we release from our activities. We're conscious of the cocoa-related environmental challenges and the threat of global warming and, as a leading food company, Puratos plays an active environmental role in its cocoa supply chain:

- **No deforestation, but also forest restoration:** Tropical forests hold large stores of carbon and contain rare, threatened or endangered ecosystems critical for local communities. Forested areas of HCS and HCV are therefore being protected, while rights-based restoration of forest areas is being implemented.
- **Agroforestry:** Sustainable, climate-smart cocoa farming enables producers to maintain critical habitats and regenerates the natural capital of soil, water and natural ecosystems.





## Our commitment to a sustainable fruit supply

### Our long-term objectives

- By 2025, reach at least 15% of fruit sourced compliant with our 'Field to Fork' strategy.
- By 2025, reach 100% of fruit sourced compliant with our Fruit Pesticide Policy.

In 2023 we aim to reach:

- 8% of fruit sourced compliant with our Field to Fork strategy.
- 70% of fruit sourced compliant with our Fruit Pesticide Policy.

### Our approach

Our approach to sustainability at Puratos is reflected in our fruit sourcing strategy, which is an integral part of our commitment to a sustainable future. Our 'Field to Fork' strategy aims to

### Key Performance Indicators

# 5%

of fruit sourced compliant with Field to Fork strategy

source at least 15% of our fruit sustainably by 2025, with the goal of achieving 100% compliance with our Fruit Pesticide Policy by the same year.

To achieve our objectives, we work closely with fruit farmers worldwide, sharing our expertise and insights to ensure that the fruits used in our products are grown sustainably and sourced with full transparency. Our focus is on creating value across the entire supply chain, from farmers to end consumers.

We source fruits locally wherever possible, from apple farmers in Mexico to blueberry growers in Canada, to reduce our carbon footprint and support local farmers with fair pricing. By sourcing directly from farmers, we can use fruits at their prime and process them quickly to maintain optimal flavor. This allows us to create fruit fillings that contain up to 90% top-quality fruit, with a focus on using local varieties to highlight regional heritage.

Our commitment to sustainability extends beyond sourcing fruits. We also work to ensure that our products are used in a sustainable manner by our customers and their consumers. This involves creating sustainable solutions that help reduce waste and minimize environmental impact, while maintaining the highest standards of quality and flavor.

### Case Study

## Sustainable Durian Sourcing in Indonesia

Puratos Indonesia is committed to sustainable fruit sourcing, and one example is our Vivafil Durian product, which uses high-quality durian sourced directly from local farmers in Tingalinga, North Sumatra.

The fruit is freshly harvested, separated from its skin and seeds, frozen, and transported to our factory near Jakarta, ensuring the quality and freshness of the fruit used in the production of Vivafil Durian. We work closely with our supplier and the farmers to ensure high and consistent quality, and by using 30% real durian with a naturally sweet, strong flavor profile, we can reduce the

amount of sweetener needed in the final product, creating more value for the fruit. This approach not only benefits the local community and supports sustainable agriculture but also reduces our environmental impact by minimizing transportation distances and supporting local farmers with fair pricing.



## Our commitment to animal welfare

### Our long-term objectives

- By 2025, 100% of the eggs and egg products used by Puratos Group will come from alternative breeding to cages.

### Key Performance Indicators

In 2022, 31% of our eggs sourced came from alternatives to breeding cages.

# 31%

### Our approach

Animal welfare is important for Puratos and, as suppliers of bakery, patisserie and chocolate ingredients, we strive to develop alternative ingredients to replace animal raw materials – such as dairy products or eggs – with plant-based alternatives.

To support this, Puratos has already developed various solutions, including:

- Sunset Glaze, a UHT egg-wash alternative.
- Mimetic, a new generation of fats which provides a real butter sensation, traditionally used in the preparation of croissants, pastries, and cakes.
- Ambiante, a UHT non-dairy topping, specially designed for cake decoration.



## Environment

As responsible members of the global community, we recognize the gravity of our planet's environmental crisis.

We understand that urgent action is needed. That's why we are committed to doing our part to contribute to this societal challenge.

We published our new Better Planet Charter in 2022 to indicate our unwavering commitment to promoting environmental stewardship.

Our objective is to become carbon-neutral by 2025 for Scope 1 and 2 emissions, following the globally recognized Greenhouse Gas Protocol, and to achieve water balance by 2030.

### Puratos's carbon-neutral certifications

We're proud to have achieved significant milestones in our sustainability journey. In Vietnam, our Chocolanté 60DAYS product has become our first carbon-neutral chocolate, with a 'cradle-to-grave' approach that includes every step of the process – from raw material transportation to manufacturing, waste management, packaging, and customer transportation.

Additionally, our sites in the Philippines and Austria have achieved carbon neutrality and obtained the CO<sub>2</sub>-NEUTRAL label from Vinçotte according to the PAS 2060 international standard for CO<sub>2</sub> neutrality, which guarantees credible climate action.

Renewing our site and entity CO<sub>2</sub>-neutral certifications in Vietnam, Thailand, and Brazil's chocolate factory demonstrates our ongoing commitment to reducing our carbon footprint. In 2022, we achieved a 35% reduction in our Scope 1 and 2 CO<sub>2</sub> emissions compared to 2016, bringing us closer to our carbon neutrality objective.



## Carbon footprint

### Our objectives

- By 2023, purchase 100% renewable electricity.
- By 2025, make our direct operations carbon-neutral, and develop a plan for Scope 3 net-zero.

### Key Performance Indicators

Puratos achieved a 35% reduction in its Scope 1 and 2 CO<sub>2</sub> emissions, compared to what we would emit without doing anything as shown in the chart below. We also met our energy efficiency target of a 35% year-on-year reduction in CO<sub>2</sub> per ton produced.

# 35%

Our operations in the Philippines and Austria, as well as our Chocolanté 60DAYS Chocolate from Vietnam, became carbon neutral.

Puratos sourced 90% of its total electricity from renewable sources, and now uses 100% renewable sources in 25 of the countries it operates in.

# 90%

In 2022, 215,000 trees were planted in the Philippines, Vietnam, Mexico, Papua New Guinea, Ivory Coast and Uganda.

# 215,000

We believe that achieving carbon neutrality requires a comprehensive approach, including energy efficiency projects, using renewable energy, and offsetting emissions by planting trees along our supply chain. We're confident that we can make significant strides toward a more sustainable future by continuing to focus on these areas.

#### Energy efficiency

Reducing energy consumption and optimizing our processes can minimize our environmental impact and contribute to a more sustainable future.

We've invested €4m in 36 energy efficiency projects, including new technologies, energy recovery, utility optimization, process optimization, and preventive maintenance. In 2022, we achieved our energy efficiency target with a 3% reduction in MWh per ton produced compared to 2021, resulting in an economy of scale of 4,900 tCO<sub>2</sub>e. We're proud of this achievement and remain committed to continuously improving our energy efficiency to further reduce our carbon footprint.

#### Renewable energy

We are reducing our reliance on non-renewable energy sources and transitioning towards renewable energy. Currently, 90% of all the electricity we use comes from our own production of renewable energy on-site, and we have several initiatives to increase this even further.

We've installed 57,000m<sup>2</sup> of solar panels on-site in 22 countries, which is equivalent to 12 football fields. By 2025,

we plan to add panels at another 27 sites, covering an additional 17 football fields, and produce 21% of our electricity needs on-site. In addition to on-site renewable energy production, we already source 100% renewable electricity off-site in 25 countries – representing 88% of our total electricity consumption. We aim to achieve 100% renewable electricity in all operating countries by 2023.

#### Case Study

## Belcolade is expanding to become the world's first CO<sub>2</sub>-neutral Belgian chocolate factory.

In 2022 we launched the largest project ever in the history of Puratos, doubling the capacity of our Belcolade factory.

The site will be carbon-neutral, relying entirely on green electricity and avoiding using fossil fuels. Thanks to using heat pumps for heat recovery, the site will also become a world reference in terms of utility integration and energy efficiency. Additionally, 90% of the site's annual water supply will come from rainwater harvesting, further reducing our environmental impact.



## Better Planet continued

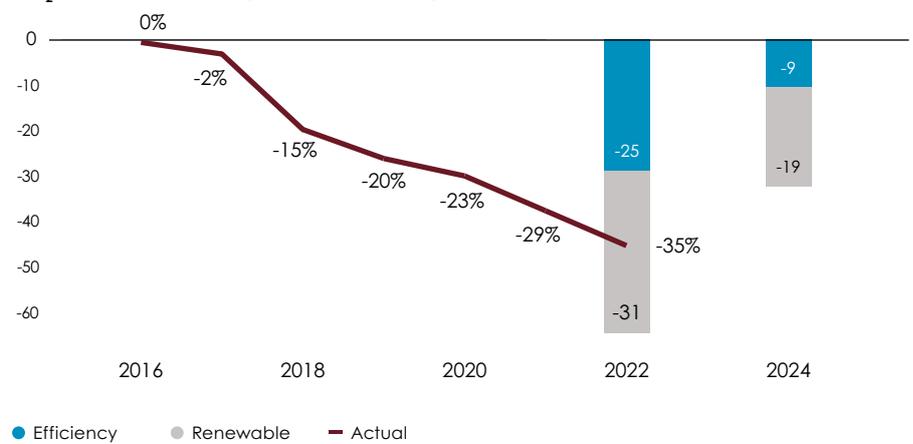
### Carbon removal

At Puratos, we're committed to going beyond carbon offsetting and taking proactive steps to remove carbon from the atmosphere. That's why we've chosen to plant trees in our value chain rather than buying carbon credits. Since 2019, we've planted over 400,000 trees and continue to prioritize this approach.

Through our Cacao-Trace program, we're training farmers to transition from unsustainable monoculture practices to agroforestry systems. This involves planting a diverse range of trees, including timber trees, fruit trees, and nitrogen-fixing trees, on and around their farms. By doing so, these additional trees capture CO<sub>2</sub> in their trunks and roots, helping us achieve our CO<sub>2</sub> reduction goals.

In 2022 alone, we planted an additional 215,000 trees across the Philippines, Vietnam, Mexico, Papua New Guinea, Ivory Coast, and Uganda. In 2023, we plan to plant another 280,000 trees, and by 2025, our goal is to plant over 360,000 trees annually. Through our partnership with PUR Projet, we can financially and technically support our community of farmers in tree plantations, promoting sustainability and environmental stewardship in everything we do.

CO<sub>2</sub> per ton produced (no compensation)



### Case Study

## Our Lummen site leads the way in renewable energy

After years of preparation and planning, in 2022 a wind turbine was built at our site in Lummen, Belgium.

It's 180m tall and 117m in diameter, with a capacity of 3600kW, and will produce about 6m kWh of electricity per year – covering the entire annual electricity usage at the site, and the equivalent of 2,000 homes supplied with green

electricity. Any surplus will be injected into the grid.

Using wind energy to make electricity will cut our CO<sub>2</sub> emissions by 1,100 tonnes per year.





## Water footprint

### Our long-term objectives

- By 2030, be water-balanced – **reducing our own water consumption**, improving the quality of our water discharge, and reducing water risks in our value chain.

### Key Performance Indicators

We reduced our water consumption by 3% per ton produced (versus 2021).

**3%**

€1.8m invested in seven wastewater treatment projects.

**€1.8m**



### Water footprint

To achieve our goal of being water balanced by 2030, we're focused on three key dimensions: risk assessment, internal actions to mitigate water stress in our factories, and collective actions to mitigate water stress in our value chain.

Since 2019, we've defined a water-related risk tool and methodology that allows for a transparent, structured, and common approach to identifying and quantifying water-related risks on and

off-site. We recognize that many water-related risks are driven by external factors such as local environmental conditions and public water management policies.

In 2022, we reduced our water consumption per ton produced by 3%, representing an economy of scale of 57,000m<sup>3</sup> per year. Of our total water withdrawal of 1.9 billion liters, 10% is used as an ingredient, 15% is evaporated for cooling, and 75% ends up in the form of wastewater to be treated.

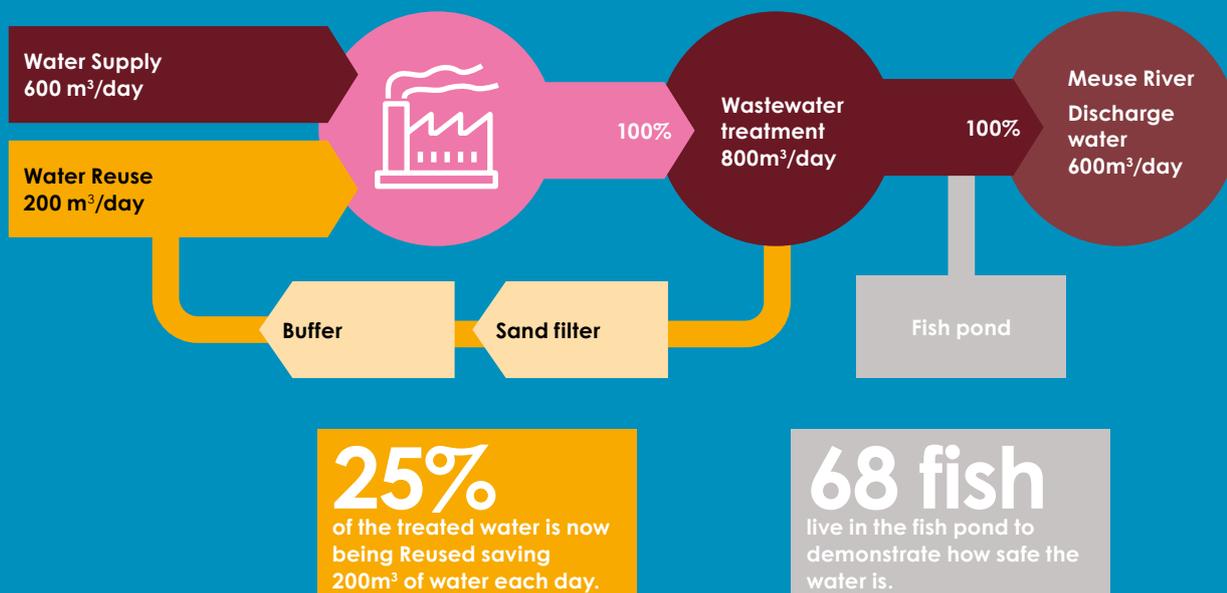
Half of our wastewater is treated by urban treatment plants, while the other half is treated on-site in our own wastewater treatment plants before being discharged into rivers.

To further support our commitment to responsible water management, we invested €1.8m in seven wastewater treatment projects in Mexico, the USA, Spain, Italy, Belgium, Malaysia, and Indonesia in 2022.

### Case Study

## Reusing water at our site in Andenne, Belgium

In 2021, we implemented a new project at our Andenne site in Belgium, which involves reusing wastewater after treatment. By utilizing this alternative source of water supply, we were able to reduce the Andenne site's water usage by an impressive 25%. We're pleased to report that this project has already made a significant impact on our overall water footprint, reducing it by 3%.



# Better Planet continued

## Packaging

**Our long-term objectives**

- 100% of our packaging materials to become reusable or recyclable-ready by 2025.
- By 2025, 100% of our wood-fiber-based packaging sourced for European Puratos plants to comply with responsible forestry principles – for example FSC® certification or equivalents.

## Waste generated in operations

**Our long-term objectives**

- We are committed to sending zero waste to landfill in our 12 top-producing countries by 2025, and worldwide by 2030.
- We will reduce our total waste fraction and optimize waste sorting. In doing so, we will reduce our residual waste fraction and maximize the recyclable fractions – contributing to a more circular economy by maximizing resource values whenever possible.

### Our approach

At Puratos, we are committed to reducing our environmental footprint and constantly making functional and sustainability improvements to the various types of packaging we use. Our long-term objectives include making 100% of our packaging materials reusable or recyclable-ready by 2025 and ensuring that 100% of our wood-fiber based packaging sourced for European Puratos plants complies with responsible forestry principles.

To achieve these objectives, we focus on reducing the amount of single-use packaging and reusing as much packaging as possible. Our targets are translated into dedicated objectives and projects, which include avoiding overpacking, maintaining product quality and shelf life, reusing packaging materials, and introducing recyclable-ready packaging. In 2022, we focused on packaging representation in our 10 main producing countries, which represent more than 80% of our entire Group packaging portfolio. Today, more than 90% of our packaging materials, both primary, secondary, and tertiary, are considered reusable or recyclable-ready.

Our focus areas include increasing reusable packaging through pooling systems on pallets and industrial containers, developing recyclable-ready solutions on powder bags with our global scope in mind, and developing innovative flexible plastic packaging solutions in mono-polymer structure materials to fit existing and future recycling schemes. By investing in upgrading our packaging, we are not only becoming more sustainable ourselves but also helping our customers reduce their environmental footprint.

### Waste Hierarchy





## Food waste

### Our long-term objectives

- Avoid food waste by offering solutions to our customers and end-consumers that help them extend the shelf life and freshness of their products.

### Our approach

We are deeply committed to reducing food waste throughout our operations and helping our customers and consumers do the same. To address this issue, we have a range of solutions that help our customers extend the shelf life and freshness of their products.

For example, our \$500 bread improver is a revolutionary solution that allows our customers to prolong the freshness and shelf life of baked goods. We have adapted over 100 formulas of this product to meet local needs around the globe. In fact, our \$500 product is sold somewhere in the world every 80 seconds.

Additionally, we offer a range of non-dairy toppings for cakes and other food applications that have excellent stability over time, leading to extended shelf life and reduced risk of waste. These toppings have a high tolerance to over-whipping, which increases efficiency and avoids unusable products. All of our non-dairy toppings are produced using UHT technology, which, in combination with aseptic packaging, provides additional food safety benefits, consistent quality, and a longer average shelf life of nine months.

We also believe that the future of bread lies in its past, and our sourdough product range is a testament to that belief. Our sourdough products do not only create great-tasting bread but also increase its shelf life. The acidity of our sourdough and the presence of favorable micro-organisms contribute to this increased shelf life.

Our long-term objective is to continue offering solutions that help our customers and consumers reduce their food waste. We are proud of the progress we have made in this area and are committed to further reducing food waste through our products and operations.

### Case Study

## Measuring impact to drive change: LCA

Life-Cycle Assessment (LCA) methodology allows us to evaluate the impact of our ingredients and provide our customers with recipes that have been proven to have a lower negative impact on the planet.

Puratos is committed to sustainability in every aspect of our business. We don't just talk about it – we measure our products' complete environmental footprint using the LCA method. This approach allows us to not only evaluate our own products' impact but also that of our customers' finished bakery, patisserie, or chocolate goods. By consulting with our customers, we can provide recipes that have been evaluated and proven to have a lower negative impact on the planet.

Choosing Puratos ingredients can make a significant difference. For example, our Sunset Glaze, a plant-based bakery glazing solution, has an environmental impact 2.5 times lower than using eggs. Our non-dairy topping, Ambiente, has a 2.2 times lower environmental footprint compared to dairy cream. Our plant-based milk-alike chocolate,

Belcolade Selection M. Plant-Based Cacao-Trace, reduces environmental impact by 13%, while our specialty fat and butter alternative, Mimetic, has an environmental impact three times lower than dairy butter. To put this in perspective, that's one ton of CO<sub>2</sub> saved for every ton of croissants produced using Mimetic.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

### Case Study

## Helping our customers reduce food waste in bread production

The art of baking is not an easy one to master, and there are all manner of variables that can impact our customers' goods. The weather and the temperature may turn, the new season's flour may be unexpectedly different, the yeast could be aging, and different machines might generate different results.

Our bread improvers help our customers control all the uncertainties within the bread production process, enabling consistent, premium results. Without an improver, losses on a production line are around 3% – but, with the help of an improver, these losses drop to 0.5%.

And a packaged cake, for example, will have a shelf life of around five days without an improver. With one of our improvers, it can be kept for up to three months.



2 ZERO HUNGER

# Better Life



## Heritage

**2,700+**

sourdoughs registered in our digital library since September 2016.

 Read more on Page 41



## People

**100%**

of our employees received regular performance and career development reviews in 2022.

 Read more on Page 46



## Community

**€2m**

annual Chocolate Bonus distributed in 2022.

 Read more on Page 54



## Heritage

At Puratos, we help customers be successful with their business, by turning technologies and experiences from food cultures around the world into new opportunities.

We're also dedicated to preserving the traditional methods that have made bread, cakes, and chocolate so beloved. We believe that by combining innovation and tradition, we're able to provide our customers and consumers with a truly unique and authentic food experience.

Our passion for nature, authenticity, and diversity has led us to launch a number of exciting projects aimed at preserving the heritage of ancient bread- and chocolate-making methods.

For example, our Sourdough Library plays a key role in the preservation and renewal of natural fermentation techniques, allowing us to continue creating authentic and delicious breads for generations to come.

At the same time, we're dedicated to preserving the heritage of Belgian chocolate and its incomparable taste, as well as certain old varieties of cocoa.

### Our long-term objectives

- By 2023, register 3,500 sourdoughs in our digital library, to better understand the biodiversity of sourdough worldwide.
- Through our Sourdough Library, preserve traditional ways of making bread. Sourdough gives a unique taste to bread and is different all around the world, and we want to keep this tradition alive.
- Install a cocoa garden at our Belcolade plantation in Chunca, Mexico, to preserve the five native Mexican cocoa varieties.

### Key Performance Indicators

**139 sourdoughs from 27 countries are stored in our physical library in St. Vith, Belgium.**

**139**

**More than 2,700 sourdoughs from more than 2,000 cities around the world have been registered in our digital library since September 2016.**

**2,700**



### Puratos Magic

*I was looking for the ingredients of a fulfilling professional life: a position that stretches me into different areas, a culture where I feel good, a company with a long-term view, and a passionate leadership team. My first 100 days with Puratos confirm that I made the right move!*

**Jean-Marie Bequevort**  
Group Audit Director – HQ



## Better Life continued



### Bread

We believe 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 the best traditional ingredients of great bread.

There are variations of bread 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've been able to develop products based on traditional local recipes, celebrating the authentic taste of bread from all corners of the world.

### What is sourdough?

We say that sourdough is the soul of the bakery. It's a natural product composed of flour, water and micro-organisms like lactic acid bacteria and yeasts, and is used to ferment and raise the dough when making bread. The taste, flavor and fermentation power of the sourdough depend on the temperature, the time, the flour – and, of course, the love of the baker.

Following the invention of the microscope, scientists like Louis Pasteur were able to isolate yeast from sourdough and start producing it for commercial purposes – leading 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, and yeast offered a more convenient alternative.

Today, sourdough is more popular than ever – and, alongside 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.

### Case Study

## Reviving the ancient tradition of fermentation

In tracing the history of bread making, we discovered a reference to the “best bread” in the 37 BC works of the Roman poet Horace. He wrote that the “best bread in the world” is in Puglia, Italy – “so good that the seasoned traveler takes a ration along before continuing his journey”. At that time, because yeast wasn't yet available, sourdough was the only way to ferment and raise bread.

Today, the most famous bread from Puglia is known as Altamura bread. We worked with Professor Marco Gobetti of the University of Bari to recreate the wheat sourdough used to make this bread, and used the latest fermentation technologies to create O-tentic durum – now considered our greatest baking innovation since the launch of our S500 bread improver in 1975.





## Case Study

## Telling the sourdough story



Like grains, sourdoughs are delicate and can be easily misplaced or damaged, leaving the world a little poorer than before – so we founded Our Sourdough Library in St. Vith to store and preserve the best sourdough cultures in the world. By December 2022 the Sourdough Library contained 139 samples from 27 countries.

The history of sourdough is so rich that we also decided to launch the Maison du Levain – a place dedicated to the history, the present and the future of sourdough, where visitors can discover the origin and evolution of sourdough. The Maison du Levain shows our customers that we care about them and about preserving traditional methods.

### This history of sourdough



Scan here to play

## Case Study

## The Quest for sourdough



Puratos is looking for new and unique sourdoughs throughout the world to add to the Sourdough Library, and has launched a one-of-a-kind initiative: [questforsourdough.com](https://questforsourdough.com). This website, launched at the end of September 2016, is already home to more than 2,700 sourdoughs from more than 2,000 cities in 99 countries and regions.

Chocolatiers have always known that cocoa has different flavor profiles depending on where it comes from. Yet, until now, it was not known that the same was true for bakers. Thanks to the Quest for Sourdough, and all the people who participate, we're finally able to map the different flavors and characteristics of sourdough around the globe.

They all have different types of flour, some solid and others liquid. Some are based on very particular types of fermentation – including rose petals, the Jamaican hibiscus, and green coffee beans. And, by sharing their own recipes, contributors to the Quest for Sourdough inspire other bakers and customers to ferment new ingredients and use new methods.

### The quest for sourdough



Scan here to play



## Better Life continued

### Belgian chocolate

Belgian chocolate is part of our direct heritage, as Puratos started life in Belgium. But what makes this particular variation of the world's favorite treat so instantly recognizable?

Belgian chocolate manufacturers have always worked with high-quality cocoa beans, which give the chocolate its special taste – and the refinement in Belgium is such that the chocolate leaves no grain sensation when it melts on the tongue. The popularity of the praline, invented in Belgium in 1912, has also greatly contributed to the fame of Belgian chocolate.

Puratos always uses the best ingredients and the best equipment to maintain the quality of Belgian chocolate, and to continue the traditions which gave Belgian chocolate its reputation throughout the world.

Belcolade, our chocolate brand, has been producing chocolate for more than 30 years – 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 distinctive taste, highly appreciated in consumer tests.



#### Case Study

### The history of chocolate

Puratos works in cooperation with Choco-Story museums to share the story of cocoa, its processing, and how it's turned into chocolate – and to promote world-class Belgian chocolate. There are 11 Choco-Story museums: eight across Europe, two in Mexico, and one in Lebanon.

Choco-Story conducts an annual study on traditions that were – or are still – strongly linked with cocoa around the world, such as those of the Maya, the Kuna, and the Shuar. These studies are published in books, as a source of information for future generations.





## Case Study

## Preserving Mexican cocoa heritage

In 2008, Belcolade acquired a plot in Chunca (formerly Tikul) in Yucatan, Mexico. On an initial surface of 300 hectares, we planted 60 hectares of criollo-type cocoa trees – one of the oldest, rarest and finest varieties of cocoa. Since then, we've acquired a further 320 hectares of land.

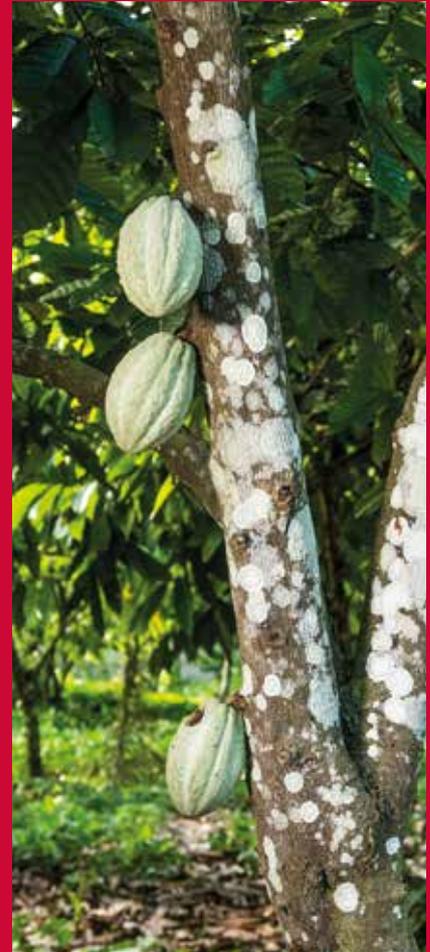
What makes criollo cocoa so special is its low polyphenol content. During the fermentation process, particularly mild flavors develop, creating an exceptional chocolate – a unique taste Puratos wants to protect.

Our objective is to build the largest criollo plantation by planting more than 300,000 trees. We've already planted 66,000 – a project that will provide a wildlife sanctuary and contribute to local environmental conservation and biodiversity, while preserving a variety that was almost extinct.

We've also built traditional Maya dwellings on the plantation to house a collection of native Mexican cocoa varieties. There are five ancient cocoa varieties in Mexico, and we want to preserve them using the model we created with our Sourdough Library.

In Mexico, Puratos operates across the whole cocoa-chocolate chain. The Chunca plantation, while also providing some of the beans we need, provides us with knowledge on cocoa growing. In Comalcalco, Tabasco, we acquired four hectares where we installed our collection, fermentation and drying center. In cooperation with a local family in Pichucalco in the Chiapas region, we've also installed another fermentation and drying center.

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





## People

Puratos employees are our present and future human capital. They develop, produce and market a constant source of delicious and innovative products, translating our customers' needs into solutions.

Of equal importance, it's our people who transmit our knowledge, spread the message about the importance of sustainability and its implementation, and are the ambassadors of our corporate values.

### Our long-term objectives

- Make every employee feel part of the Puratos Magic Family.
- Annual investment into learning and development:

Net sales

**1%**

### Key Performance Indicators

Global face-to-face, virtual and digital course completions:

Global courses available

**385**

Active learners

**7,247**

Learning hours

**47,212**



## Puratos Magic

For more than 100 years, our 'Puratos Magic' culture unites and inspires people, and enables them to accomplish extraordinary things. Puratos Magic is our competitive advantage, and we will continue to perpetuate it in full alignment with our purpose and strategy.

Our Puratos Magic culture is a unique set of values embedded in the DNA of our passionate people, who demonstrate this passion in everything they do – and who embody the values described on page 4 of this report.

We favor an entrepreneurial attitude by being open to new ideas, continuously searching for opportunities for new developments, and having the willingness to continuously improve our performance. We find success through excellence in execution, and take measured risks.

At all levels, we maintain a close personal relationship, empathy and respect with all stakeholders. We respect, inspire and trust each other – ensuring every employee can unleash their talents, become successful, and contribute to achieving our long-term ambitions.

Team spirit and collaboration are very important, requiring everyone to actively listen to each other, solicit other opinions, and share experiences. We act with common sense, approaching any situation in a simple and pragmatic manner, and producing concrete solutions and results.

We behave with humility by being situationally aware and putting our accomplishments into perspective, and engaging people with a sense of shared purpose. We respect our promises and commitments with integrity, honesty and transparency – and, when challenges arise, we have the courage to face reality and engage in solving them.

Puratos Magic is open to the world and best practices from outside, embracing diversity and inclusion.

## Learning and development

### Our strategy and goals

Innovation is the key ingredient of our continued business growth, which makes continuous learning vital for the sustainable success of our employees. As skill requirements quickly shift, we need to enable our employees to remain relevant and successful over time in their careers and lives.

Alongside our global programs, our local and regional teams offer a variety of complementary learning and development opportunities based on their local needs.

Global compliance course completions:

- Business Ethics & Code of Conduct:
  - Part 3: 96% end-year completion.
  - Part 4: 94% end-year completion.
- Safety Basic Induction:
  - Operations: 74% end-year completion.
  - Non-operations: 91% end-year completion.
- Cybersecurity:
  - Cyber Security Awareness Essentials: 94% end-year completion.
  - Cyber Security Awareness Essentials Refresh: 93% completion by end of August 2022 (course discontinued).
  - Cyber Security Strongest Link: Launched in October 2022, 88% end-year completion.
- Data protection regulation:
  - Data protection (GDPR) refresh course: 92% completion by end of August 2022 (course discontinued).

### Our approach

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 related to our products, technologies and solutions, functional capabilities, and leadership skills. The global Puratos University agenda has evolved over time and now includes virtual and digital delivery formats.

To support our long-term blended learning strategy, new e-learning tracks have been developed on our core products, strategic innovations, and business applications. With our licenses to create content in-house, our digital learning strategy keeps expanding in a sustainable way.

Since 2012, our management team has been able to experience the Puratos Magic and strengthen customized leadership skills in a fast-paced environment via our 'Blended Leadership' program. Leadership capabilities are evolving rapidly, so we've enriched our offering with 30 online leadership skill paths – enabling our leaders to further develop themselves and their teams. We've also started the roll-out of our People Manager Academy, a new four-module program designed to align and upskill all our People Managers globally.

The complex and fast changing world we operate in makes continuous learning key to every employee. Our employees' expectations are also changing. They want relevant, mobile, self-paced, and personalized content, which means learning needs to be easily accessible anywhere, anytime, at the speed of need – supported by our global learning platform, which integrates with our other talent people modules within the Puratos University.

Our 'Guild' learning program has been developed for all Technical Advisors and Application Specialists worldwide, with the aim of building world-class expertise on finished goods – and to create a knowledge-sharing community of "masters develop masters". The Guild offers multiple courses in Bakery, Patisserie and Chocolate expertise, and in 2022 was strengthened through handbooks, e-learning, webinars, local hands-on practice, and online feedback and coaching.

### Case Study

## Empowering our workers



To ensure the business-critical continuity of producing and moving goods, we use a holistic 'people first' approach to attract, engage, develop and deploy the best operators worldwide. Today, these operators total 3,580 people – making up 36% of the total Puratos Group headcount.

Empowering our employees means helping each individual and team to understand their contribution to company targets. Our Worker Readiness Program supports employee empowerment by co-building action plans, enabling self-assessment and self-assignment for skills and training, informing on health and ergonomic tips, letting employees own their personal pay raise through objectives and bonus plans, rewarding problem solving, recognizing ideas for improvement, inviting employees to take part in the selection and testing of new machines, and much more.

The program also defines the foundations for the frontline leadership development plan, to transform commanding frontline leaders into people coaches.

Case Study

# Reaching 10,000 employees

At the end of 2022 Puratos Group reached a new milestone. Our focus on quality and the service we provide for our customers has supported our success and growth over the past 100 years, and we now employ more than 10,000 people across our subsidiaries in 84 countries.

That's more than 10,000 talented people united by the Puratos Magic – a force that inspires everyone behind our common purpose of 'food innovation for good' and empowers them to accomplish extraordinary results.

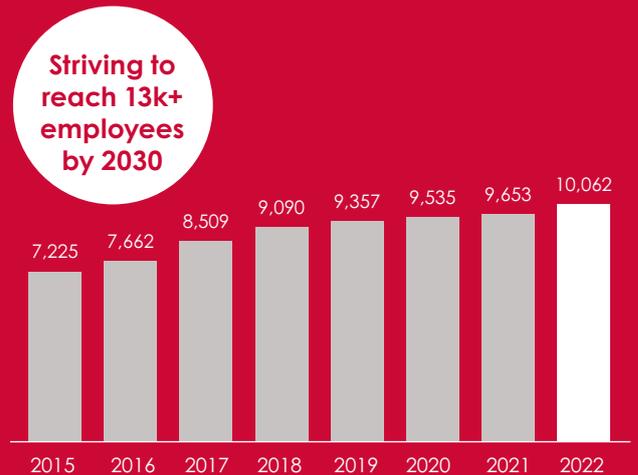
In 2022 we recruited 2,925 candidates. Our aim is to attract, retain, and engage talented candidates and employees around the world, to continue to drive long-term business success.

To help attract new candidates, in 2022 we adjusted our employer brand to align with the evolving needs and values of job seekers, emphasizing key factors that influence job decisions such as opportunities for career growth, commitment to sustainability, focus on employee well-being, and dedication to diversity and inclusion.

Puratos was recognized externally as a "Top Employer Belgium 2022" for the fourth time in a row, as well as a "Great Place to Work" in Brazil, Canada and Peru.



Puratos Group workforce



In Operations, the Global Worker Readiness program continues to focus on building strong teams with strong leaders, building on the 'Eagle' program launched in 2017. It's a key pillar in our focus on developing employees and boosting productivity in operations – an approach aligned with operational excellence standards and the organization's needs, and with the common goal of delivering quality to our customers.

In our Sales Academy, all employees in our Sales team can benefit from tailored learning paths depending on their role. This offers a blend of learning activities to help develop the functional skills they need to be successful now and in the future. Since 2020, the Sales Academy has been successfully launched in 33 countries.

### 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

Unicorn Competency Development (or UniCoDe) is the globally applied performance management and personal development process at Puratos. The past year's performance is assessed in terms of achievement of objectives and compliance with our core competencies – the base of our Puratos Magic culture.

### Our long-term objectives

Ensure 100% of employees continue to receive regular performance and career development reviews.

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

#### Competency development

Our competency development dialogue 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 each employee and their manager to review UniCoDe objectives and update their status. It's also a good opportunity to identify strengths and blockers for achievement of these objectives, and to define further development needs or ways to leverage strengths.

During this conversation, the employee's career aspirations are discussed. The mid-year review is not a formal process, but an objectives-focused discussion between manager and employee.

### Key Performance Indicators

Percentage of our employees that received regular performance and career development reviews in 2022.

100%

#### Talent reviews

During talent reviews, managers and Leadership Teams review employees' long-term performance and potential, and prepare short- and long-term succession plans for key positions.

#### People and organization review

During our people and organization review, HR and the respective management teams – including the Group Executive Committee – discuss the outlook for the future in terms of the organization and talent needs.

#### Continuous feedback

Dialogue and continuous feedback are key elements supporting the Puratos Magic, bringing our values to life and being truthful to our working principles. Continuous feedback means continuous growth, and employees are encouraged to help each other grow by giving and requesting spontaneous, on-the-spot feedback.



## Health and safety

### Our long-term objectives

**Achieve a zero-incident culture, with a Lost Time Incident Rate (LTR) of 0.**

Good health and safety, security and well-being are basic commitments to our employees that we never compromise on. We define our commitment, participation and accountability to create a culture of caring in a safe work environment.

### Our approach

#### Commitment

In recognition of the right to a safe and healthy working environment, Puratos is committed to maintaining the physical, psychological and social well-being of its employees, stakeholders, and global communities, through appropriate risk management strategies.

To advance our Health and Safety program, we are committed to:

- Our goal of zero work-related injuries to Puratos employees and stakeholders, including incident prevention while executing the work.
- Providing a highly effective Health and Safety management system based on risk mitigation, including our '10 Golden Rules' – which empowers our employees and drive continuous review and improvement opportunities.
- Appropriately meeting all applicable Health and Safety legal requirements, and local, state, provincial and national regulations.

### Key Performance Indicators

**We achieved a Lost Time Incident Rate (LTIR) of 0.58, compared to 1.08 in 2021 – a decrease of 46% and the lowest figure we've ever registered, as we strive for a zero-incident culture. LTIR is the industry-standard metric used to measure the number of Incidents with lost time per 100 FTEs.**

**-46%**

- Fostering an exceptional safety culture based on communication, collaboration, and consultation, where our people and stakeholders embrace ownership for the well-being of themselves and others.
- Setting Health and Safety performance goals and measuring KPIs – working with employees and business partners to meet targets and promote continuous improvement opportunities.

#### Participation

Individual ownership of the Health and Safety program is required through participation of all parties in our 'Culture of Caring'. We expect our leaders, directors, managers, supervisors, employees and subcontractors to:

- Commit to the well-being of themselves and all other stakeholders, both on and off the job.
- Demonstrate this commitment through compliance with applicable

rules, and properly identifying, managing and eliminating hazards and reducing risk in the workplace.

- Engage in planning and training to enable competency to work safely, and respond as necessary to emergencies.
- Have the proper and appropriately maintained equipment, materials, and personal protective equipment required to work safely, and respond as necessary to emergencies.
- Not start work if it cannot be executed safely or if conditions or behaviors are unsafe or unhealthy – and to stop working if this becomes the case.
- Immediately report Health and Safety incidents, near-misses, unsafe conditions, and at-risk behaviors – and participate in investigations and review findings with appropriate stakeholders to enable implementation of corrective and preventative actions.

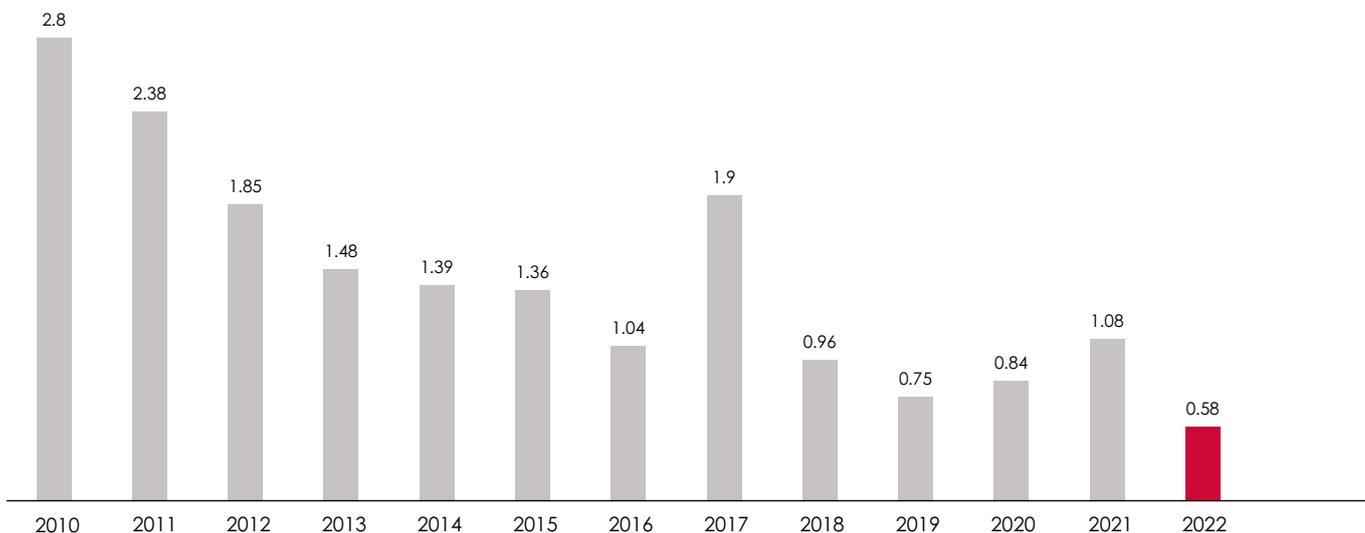
#### Accountability

We expect continuous improvement in our journey toward a zero-incident culture, where everyone participates and is committed to Health and Safety excellence. Our leaders, managers, supervisors, employees and subcontractors will be held accountable through:

- Recognition and reward for those who positively contribute to excellent Health and Safety performance.
- Inspections, investigations and reporting to assess Health and Safety management system application – and elevation of high-potential findings to GEC leadership, to enable appropriate action.
- Appropriate action – such as coaching or disciplinary measures – when expectations are not met.

### Total of accidents

with absenteeism x 200,000/worked hours



## Better Life continued

During 2022 we also achieved:

- The creation of a new Health and Safety Charter, which was endorsed, published and communicated to the Group. The Charter establishes a framework to ensure the health, safety, security and well-being of Puratos employees and stakeholders through effective risk management and a commitment to a culture of caring in a safe work environment.
- The definition and approval of our strategy and roadmap towards 'Goal Zero', which includes a simplification of the current Health and Safety management system.
- The creation of an Operational Excellence (OpX) system for Health and Safety, in line with the approved strategy and roadmap.
- The introduction of 'Safety Moments', now required in all meetings with three or more participants. Safety Moments – which may be thoughts, ideas, helpful tips or technical updates related to our activities, stakeholders, facilities or the environment – help keep safety top of mind.
- The identification of Potential Serious Incidents (POSIs) and their investigation, including a root cause analysis to help us focus on preventing recurrence.

### Diversity

#### Our approach

Puratos cultivates an inclusive global workplace – one that fully embraces diversity and equal opportunities for all. We strive to reflect the richness of our customers, communities and society, accelerating our ability to innovate and deliver on our commitments.

We firmly believe that people with different backgrounds, experiences, knowledge, skills, perspectives, and ideas create a stronger organization, and that this leads to more innovation. Puratos is an equal opportunities employer that offers the same chances

to all employees irrespective of their age, nationality, gender, sexuality or religion.

We're also committed to paying our employees fairly and competitively. Read more on page 53.

#### Our aspirations

- We aspire to achieve a diverse, equitable and inclusive workplace and culture by eliminating bias and discrimination in our policies and practices.
- We aspire to accelerate diverse representation at all levels of the organization.
- We aspire to provide equal pay for men and women.

### Diversity at Puratos

#### Different nationalities

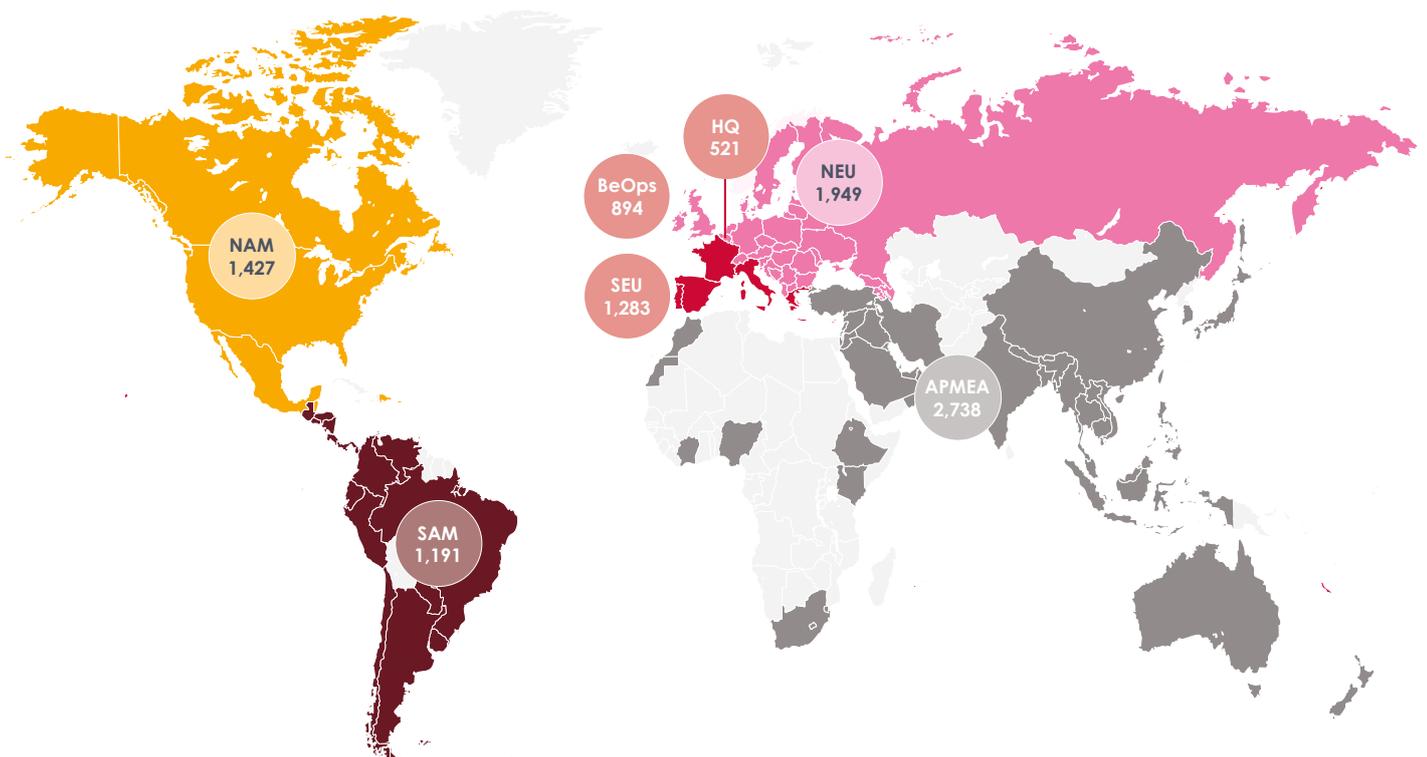
120

#### Spoken languages

43

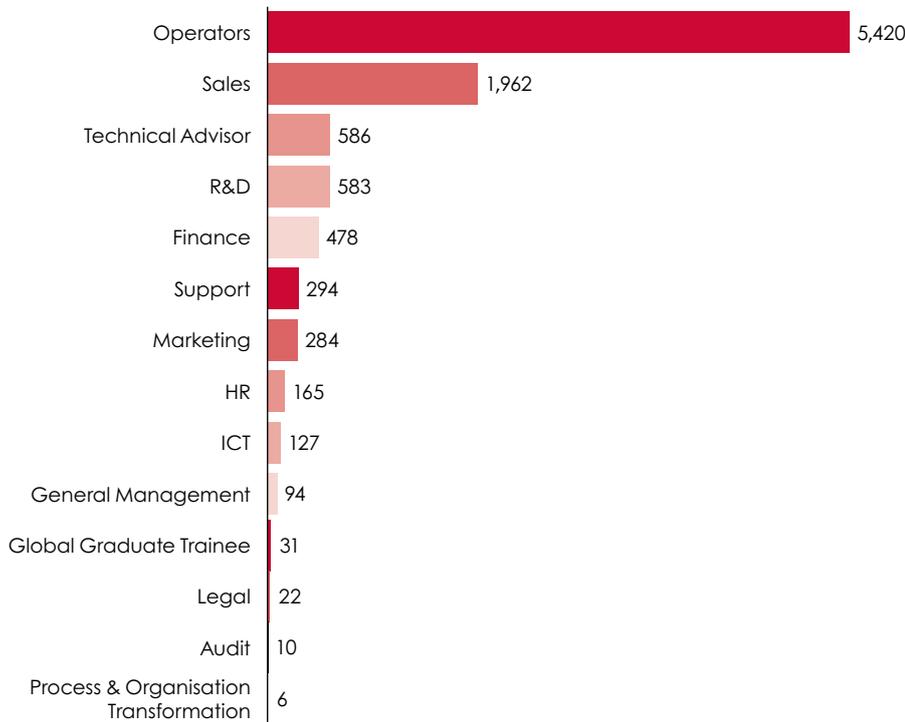
### Key Performance Indicators 2022

Puratos employees worldwide:

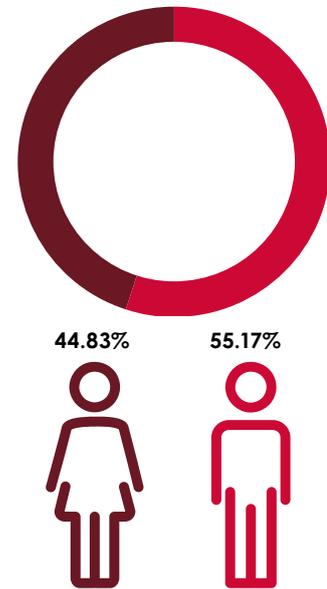




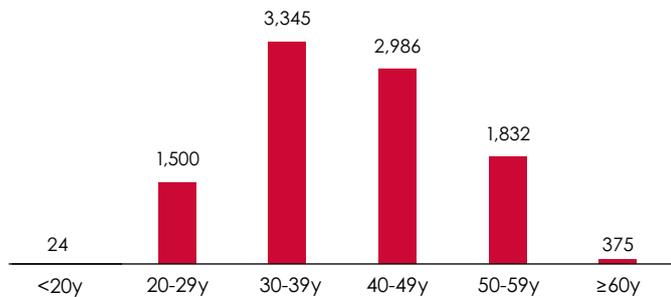
### Headcount by function:



### Gender distribution U-team:



### Age distribution across the Group:



### Top 5 represented countries by nationality:



- Belgium – 12.2%
- United States – 6.7%
- Mexico – 5.8%
- France – 5.2%
- South Africa – 5.1%

### Top 5 spoken languages worldwide:



- Spanish – 19.6%
- English – 17.7%
- French – 12.8%
- Dutch – 8.5%
- Russian – 5.2%



## Better Life continued

### Employee well-being

We believe happy, healthy employees are an essential ingredient in delivering on our global purpose, and our emphasis on employee health and well-being is a visible investment in our most important asset: our people. This underscores our shift to a more people-centric organization, with holistic Wellbeing as a key anchor in the employee experience, ensuring sustainable productivity.

To strengthen this commitment in 2022, we introduced the Puratos Blueprint for Health and Wellbeing – a clear set of standards for measuring our future efforts to ensure a healthy employment experience for all employees.

### The Puratos Blueprint for Health & Well-Being

#### Our vision: Our statement of purpose for employee health and well-being

Well-being inspires well-doing. Puratos delivers an employee experience promoting the total well-being of every individual, equipping and enabling them to reach their fullest potential in every aspect of their life.

#### Our commitments: The Puratos promise for a happier, healthier workforce

- **Physical and mental health:** We're committed to the well-being of the whole person, sustaining the energy required to achieve our full potential and deliver exceptional results.
- **Financial health:** We're committed to the financial education and security of all Puratos employees, through comprehensive and equitable compensation and benefits.
- **A healthy and safe environment:** We're committed to investing in the physical and psychological safety of our employees everywhere, ensuring the resilience of our people.
- **Social connection:** We're committed to being a people-first organization, delivering on a culture of care, belonging, and collaboration, for the good of society.

#### Our foundation: We need unwavering dedication across the Group

- **Leadership advocacy and engagement:** People managers who are equipped to role model healthy behaviors and foster a climate of well-being.
- **Workplace transparency and equity:** People practices that inspire trust with employees and promote fairness and purpose.

- **People-centric program design:** Data-driven programs and resources designed to measure and respond to evolving employee needs at every level of the organization.
- **Global alignment, local delivery:** Health and Wellbeing solutions that align to our Calling for Caring, while offering local autonomy and delivery.
- **Learning and education:** A commitment to learning that inspires renewed mindsets around Wellbeing and self-improvement.

#### Delivering on our commitments

Puratos is working hard to deliver a Culture of Care across our global workforce. Every day, this commitment comes to life through a range of programs and activities that seek to create a work environment where every employee thrives.

In 2022 we launched a strategic roadmap for employee health and well-being, inspired by the Puratos Blueprint. This included:

- Regular employee events and challenges promoting physical exercise, nutritional awareness, and energy-enhancing routines.

- Global training and 'well-binars' for people managers to grow important capabilities in fostering a healthy work environment.
- Establishing minimum standards in all facilities, to promote safe and sanitary working conditions, a better work-life balance, and access to nutritious dietary options.
- Fair and equitable compensation and benefits, meeting living wage standards and offering access to health and insurance resources.
- A warm, inclusive work environment, where employees are free to raise ideas or concerns without fear of negative consequences.
- Digital platforms to provide employees with on-demand learning, health and well-being resources, and energy-renewal practices in the flow of their daily work.

Through these efforts we're not only building a sustainable workforce fit for the future, but inspiring Puratos employees around the world to make a positive and purposeful impact on the communities we support.

#### Case Study

## Engaging and equipping Puratos leaders

To launch the Puratos Blueprint for Health and Wellbeing, our Global Employee Task Force developed a leadership campaign. The aim was to equip and engage leaders across Puratos with a renewed mindset and energy – not only to support employee health and well-being activities for the teams they lead, but to become active role models in support of the new Blueprint.

The campaign, known as 'Our Calling for Caring', was first introduced at the 2022 Lead For Good Conference in Ghent, Belgium, in October. In addition to sharing the growing case for elevating our focus on employee well-being, country managers from around the world were briefed on 'energy-inspired leadership principles' by Andrew Deutscher, a leading speaker and consultant on creating sustainable high-performance teams.

By engaging and equipping our leaders throughout the organization, Puratos seeks to provide all employees with the freedom and space to find a more sustainable approach to their personal productivity.





### Rewarding employees fairly

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 outlined on page 50.

### Position management

Position management is how we organize all Puratos positions through one global framework. To ensure excellent service to our customers in a continuously changing, ever-growing business environment, in 2022 we reviewed and adapted our organization and the management of our required positions.

We conducted a global review of our position structure on a country and market level, and at the HQ and BeOps level, with focus on our white-collar employees. An objective for 2023 is to integrate our large population of blue-collar operators in our global Position Architecture Structure.

A global grading structure offers several advantages, including ensuring equitable comparisons of similar positions across functions and countries, both within and outside of Puratos. Additionally, it helps us obtain accurate benchmark compensation data for our positions.

### Fair compensation

Our global compensation philosophy is based on a 'Pay for Performance' approach. We're committed to paying our people fairly and competitively, and every employee's total remuneration is based on the level and type of work they do, as well as their performance and potential within the context of market benchmarking and budget guidelines.

In 2022 many countries faced higher prices and higher inflation rates, so we reacted to protect our employees and their purchasing power in these regions. In addition to considering local inflation rate in our annual salary review process, other local measures were introduced – such as the payment of an exceptional bonus to support some employees.

We believe in the mantra of 'one team, one goal, one result' – which we've integrated in our variable reward structure. Our bonus policy has been extended to all local employees, including those who are not members of management teams, replacing existing systems to ensure a single policy for the structure, measurement and calculation of bonuses.

### Case Study

## Relaunching our global 'Voice!' engagement survey



We want to create a caring work environment that welcomes diversity and promotes personal development. We want to know what every employee feels and thinks about our organization, their job, and where improvements can be made – so, in 2022, we relaunched our global 'Voice!' engagement survey.

The survey addresses important topics such as engagement and enablement of our employees, leadership, collaboration, development, health and well-being, and our company values and purpose. It helps us better understand the views of our employees, and gives them the opportunity to contribute and share their ideas for making our organization more efficient and a better place to work.

All employees were invited to complete the survey, and we achieved a global response rate of 89% – showing a high willingness of our employees to give feedback. The global engagement rate, measuring our employees' commitment and willingness to go the extra mile, is 81%.





## Communities

No matter how ambitious our future goals and hopes for the planet, Puratos will always put its people first.

We believe that contributing to the communities where we operate is essential. We invest in sustainability programs that safeguard biodiversity and improve the living conditions of local people, while sharing our knowledge and skills. By focusing on education and community, and social development, we aim to create more value for society by addressing issues of inequality, such as unequal access to educational resources, living income, and healthcare.

In 2016, we established the Bakery Foundation and Next Generation Cacao Foundation to maximize our impact in these areas. The Bakery Foundation provides quality education through Bakery Schools, while the Next Generation Cacao Foundation aims to contribute to the social, economic, and environmental development of cocoa farmers and communities that are part of our Cacao-Trace program. These programs have made a significant difference, and we continue to strive towards creating a positive impact on the communities we serve.



## The Bakery Schools Foundation

### Our long-term objectives

- By 2030, have 1,000 students in the program on a permanent basis.
- Open at least one new Bakery School every year.
- Find job placements for all graduates.

### Key Performance Indicators

Students graduated from Bakery Schools worldwide:

# 58

- 6 in India
- 18 in Brazil
- 10 in Mexico
- 24 in South-Africa

Students are currently enrolled in the program

# 424

New Bakery Schools opened in the USA and Lebanon.

The Bakery Foundation was established in 2016 with the aim of providing quality education to young people in the bakery, patisserie, and chocolate sectors, particularly those from disadvantaged backgrounds. We recognized that there was a lack of well-trained, qualified labor in these industries, which was impacting the growth and success of our customers.

As a global leader in the sector, we are in a unique position to offer students the means to learn high-quality skills from best-in-class faculty members, as well as the opportunity to be hired by top-class employers in the bakery and hospitality sector. Since then, we have opened Bakery Schools in nine countries, graduating 58 students in 2022 alone. With our success so far, we plan to build on it by opening a new Bakery School every year. Our goal is to have 1,000 students in education in our schools

around the world, helping us to reach more communities and positively impact more lives.

We believe that investing in education is one of the best ways to empower people and communities, and to make a positive impact on society. By providing access to high-quality training and education, we are not only helping young people to build better futures for themselves and their families, but also supporting the growth and development of the industries we serve. Our Bakery Schools have an equal opportunity policy for male and female students, and offer them the means to learn from best-in-class faculty members. We are committed to creating life-changing opportunities for young, motivated students from disadvantaged backgrounds, and to helping them to achieve their full potential.



#### Bakery School student testimonials

*"I have known about The Bakery School India since my school time. I became interested and wanted to learn about the bakery and pastry industry so that I can stand independently and support my family, after completing this course and getting trained under experienced chefs that bring out the best in me."*

**Bhakti Bhoge**, Bakery School India (2022-2024 cohort)



# Better Life continued

## The Next Generation Cacao Foundation

### Our long-term objectives

- Increase the total Chocolate Bonus reallocated to farmers annually.

### Key Performance Indicators

We collected a total bonus of **€2m** for our Cacao-Trace farmers (+99% compared to 2021).

**€2m**

The Next Generation Cacao Foundation is the not-for-profit organization behind our Cacao-Trace program. The Foundation's mission is to contribute to the social, economic and environmental development of cocoa farmers and communities.

Passion for great-tasting chocolate and its future is something that connects us all. Only together, as a community, can we ensure that this lasts for years to come – and, with Cacao-Trace, we brought to life an integrated sustainable cocoa program.

Initiatives including education, training, and fair and premium pricing are aimed at creating a better life for farmers. But we don't just settle for market standards. We're providing tools for farmers and enabling them to produce higher yields and higher incomes – and we want to go further.

That's why we have a dedicated team constantly looking for new actions to include in the program, like our unique Chocolate Bonus initiative. For every kilo of Cacao-Trace chocolate sold, €0.10 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 initiative, we share that added value with cocoa farmers.

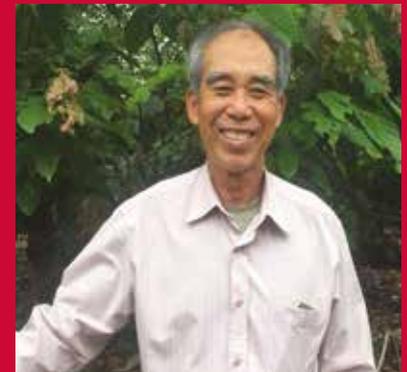
The foundation oversees the collection and redistribution of donations and the Chocolate Bonus. All running costs, certification fees and royalties are covered by Puratos, guaranteeing that 100% of the money goes back to the Cacao-Trace farmer communities.



#### Farmer testimonials

*"I used the Chocolate Bonus to buy household necessities and pay for my workers in the farm. Compared to other buyers of cocoa, it is only in this program that we receive incentives that help us to buy farm inputs, for family needs and other necessities."*

**Alicia Soliman**  
(The Philippines)



#### Farmer testimonials

*"The Chocolate Bonus is very meaningful to me. When I joined Cacao-Trace in 2017, it was the first large pay-out I had ever received. I used part of the money for fertilizer, the rest I gave to my wife to buy food for our family. I hope the Chocolate Bonus will uphold for a long time."*

**Nguyen Huu Khien**  
(Vietnam)



## Puratos Magic

The launch of the health and well-being platform has enabled all Puratos Spain colleagues to acquire new healthy habits. An online tool that adapts to the needs of each one of us, with a multitude of content to take care of our physical and mental health. At the same time, we were able to carry out group challenges and sessions through which to promote values such as collaboration and passion. One more example that health and well-being are a priority for our employees as well as for our customers.

**Lidia García**

Communication & Sustainability Manager – Puratos Spain



**Bakery School student testimonials**

*“Thank you for helping me to discover my passion for baking and patisserie. The Bakery School was a huge help because I can't afford to go to college, and I really want to pursue a career. Because of The Bakery School, Puratos Spain, I discovered a lot about myself, and I can see a bright future ahead of me.”*

**Mary Joy**, Bakery School Philippines (2021-2023 cohort)



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

Our reforestation project in Tikul, Mexico, contributes to safeguarding cocoa cultivation and future biodiversity. Alongside 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 the plantation and the 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 – ensuring a sustainable future for all of those connected to the production of cocoa.

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, and those local fruits are processed into powder sold through the Puratos network.

Belcolade recently developed a new project that will allow us to bring more revenue to farmers, thanks to lab tests at our Groot-Bijgaarden site in Belgium using the powdered husks of cocoa pods. The husk has interesting properties – for producing jellies, for instance – and, for each cocoa pod, only 20% is beans. The rest is husk.

There are around four million tons of dried cocoa beans produced worldwide every year, which means around 16 million tons of husk are thrown away. Our new project aims to turn this into a new raw material we can buy from farmers and process into specialty ingredients.

## Better Life continued

### Mission to Mars

The discoveries of this program have the potential to revolutionize food production and minimize our environmental footprint. We're excited to continue this journey towards a more sustainable future for all.

Puratos's Mission to Mars program is more than just a space mission; it's a journey towards a more sustainable future on Earth. With our planet facing pressing environmental challenges, we knew we had to think outside the box to find new solutions to feed a growing population while minimizing our environmental impact.

Our program is inspired by the extreme conditions on the planet Mars, where resources are scarce, and the environment is inhospitable to most life forms. We knew that if we could develop innovative solutions to grow food and produce bread on Mars, we could apply those same principles to help feed people on Earth sustainably.

Our journey began with the challenge of growing wheat on Mars. With no atmosphere, extreme temperatures, and dust storms, the Martian environment was not conducive to crop growth.

So we built a fully controlled biosphere that could accommodate a small team of researchers. This closed and self-sustainable system allowed us to create the perfect climate for growing wheat, using only a fraction of the water usually required. We even produced wheat using only lava as a solid substrate, resulting in high mineral and protein content.

But it wasn't just about growing wheat. We also needed an efficient leavening agent to make bread. While yeast factories are not available on Mars, we discovered that sourdough offers a unique solution. A stable and robust population of micro-organisms in sourdough allows us to produce bread with high and constant quality, regardless of the flour harvest conditions.

When it came time to bake the bread, we knew we had to do so efficiently. We investigated different technologies, such as microwaving, to use energy in

the most efficient way possible. We even developed a new product, Cubease, a small cube with a big impact, providing outstanding dough tolerance and strength while taking up only a fraction of the storage space of traditional dough conditioners.

Our journey to Mars has taught us that the journey is as important as the destination. By developing solutions to grow food and produce bread on Mars, we've discovered new ways to minimize our environmental impact on Earth. We're 10 times more efficient in recycling nutrients and lowering the use of nitrogen and other fertilizers. And with our closed biosphere system, we don't even use pesticides.

Puratos's Mission to Mars program is not just about feeding future space travelers; it's about feeding a growing population sustainably on Earth. Our innovations in growing wheat, using sourdough, and developing efficient baking technologies have the potential to revolutionize food production and minimize our environmental footprint. We're excited to continue this journey towards a more sustainable future for all.



Puratos Magic

*Since I became part of the Puratos Peru family, I have been able to see how they really care about the health and well-being of all their employees. We have great benefits such as health talks, yoga sessions, dance sessions, cooking lessons, nutritional support and psychological support, among others. Also, every week we receive different health and wellness tips. One of the things that I most value is having the possibility to enjoy personal days off when needed and aligned to our policies. I really see how the company cares about encouraging the balance between personal life and work life.*

**Giovana Quispe**  
Marketing Assistant





## Bringing Benefits to Earth

Each experiment has great potential for life on Earth:

- Growing wheat using less water**  
 With less rain and more drought, the usage of water is under pressure. Through our hermetically closed system and vertical agriculture, we believe we'll be able to grow wheat using only 5% of the water usually required. This technology could also be used in densely populated areas of Earth where farmland is not always available, or in regions with extreme temperatures.
- Lowering use of nitrogen and fertilizers**  
 Today, farmers apply nutrients on their fields in the form of fertilizers, which provide crops with the nitrogen and phosphorus they need to grow. However, when nitrogen and phosphorus are not fully absorbed by the plants, they can negatively impact the soil and water quality. We believe we can be 10 times more efficient, and lower the use of nitrogen and other fertilizers.
- Accelerating harvest times and increasing yields**  
 In the SpaceBakery we'll be able to investigate and optimize the growing conditions of plants. This could lead to faster harvests, higher yields, and a more qualitative crop – with more efficient use of nutrients and no losses due to insects or plant pathogens.

- Testing new, emerging crops**  
 To make bread more nutritious and diversified, we will investigate the possibilities of new, emerging crops. More knowledge about these plants, which can grow in extreme conditions, could help improve breads made of local crops in Africa and other regions.
- Pollinating via nano-drones**  
 Wheat reproduces with only the help of wind, which is easy to simulate in a closed environment. But the wavelength of the light in the containers makes it impossible for bees to see colors and find the pollen in the flowering crops. Therefore, we're investigating the use of nano-drones for pollination. While we hope bees never become extinct – as this could mean the end of humanity – nano-drone technology could help our bees in the future.
- Optimizing energy use**  
 To use energy in the most efficient way possible, we're investigating the potential of baking bread through microwave technology and ohmic heating – exploring how to reuse the by-products we create like straw, chaff, and bran, to eliminate waste and contribute to a circular economy with continual resource use.



### Farmer testimonials

*"My farm has changed. It's been rejuvenated thanks to good agriculture practices. The yield has increased, and the pricing, too. This has helped us a lot. Thanks to the Cacao-Trace project I got my life back!"*

**Adjoumani**  
(Ivory Coast)



# Good Governance





## Puratos's Governance Structure

Puratos Group implements best practices in terms of corporate governance. Our processes are governed by our corporate governance charter or our chart of authority, which we update regularly to reflect the state of the art – most recently in 2022. In line with those best practices, our board of directors is composed by representatives of the family and independent members.

The Remuneration and Nominating Committee was established in 2001. The Committee deliberates on proposals for compensation of employees, director nominees, and proposals for the election of directors, and reports the results to the Board of Directors.

The Audit Committee was established in 2004. The Committee works with an external auditor and our internal audit department to conduct audits on the day-to-day activities within our different subsidiaries.



### Puratos Magic

*In general terms, Puratos Colombia is a company that provides initiatives for employees so that they can manage a balance between work and personal life, such as health and wellness weeks, special dates celebration, half days off, emotional support and training on topics other than work that contribute to personal development. HR and EHS are constantly reviewing strategies to maintain and consolidate the health and well-being of employees, to improve their life quality according to the labor and legal needs that are identified over time.*



**Edcardo Monar**  
Quality Leader

**Sustainability across the Puratos value chain**

The Puratos sustainability strategy is built on our purpose: We move the planet forward by creating innovative food solutions for the health and well-being of people everywhere. It comprises three pillars – Better Health, Better Planet and Better Life – outlining our ambitions and commitments, creating a common agenda for the Group and providing a focus and collaboration for everybody to contribute to a positive impact on people, society and the planet, across the value chain.

We're committed to working together in a collaborative way, being transparent about what we learn, and always improving our ways of working.

Our CSR Committee, founded in 2021, ensures that we share the same values and approaches across the Group. It focuses on:

- Puratos's role in society.
- Strategic decisions and ambitions,

such as always respecting human rights, and our ambitions to become a circular and climate-positive business.

- The alignment of our sustainability requirements – for example those included in our Code of Conduct.

The CSR committee meets four times a year, where members of the third generation of shareholders, members of the Chief Executive Committee, the Group Sustainability Director and an external partner meet to advise and challenge our strategy and approach.

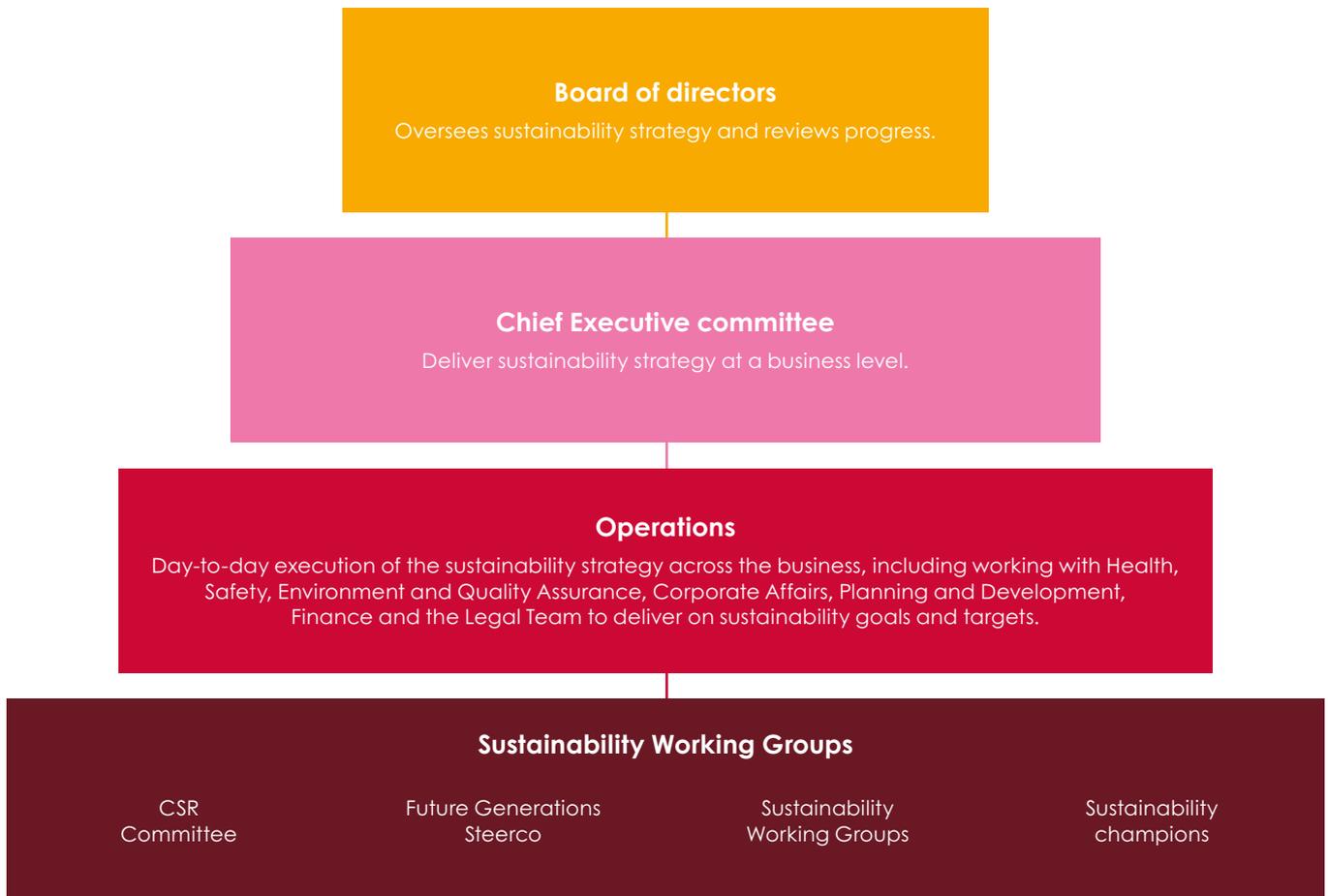
The Future Generations Steerco was created in 2019 and brings sustainability experts from different departments and different regions together. The Steerco meets on a regular basis to share progress on meeting targets, explore opportunities to drive further progress, discuss new projects, ideas and innovations, identify new and emerging risks and opportunities, and share insights from external stakeholders and peer companies. They also share information with employees throughout the Group.

Experts on specific topics meet in working groups to share best practices and build knowledge through the Puratos value chain. These working groups discuss and align strategic initiatives and plans to fulfill our sustainability strategy. During 2022, the Climate Group has, for example, been working on how to include Scope 3 emissions in our carbon-neutral strategy for 2050.

We also have sustainability champions worldwide, whose main task is to embed sustainability into their subsidiary. They are the first point of contact regarding sustainability questions, cascading them further down the organization, while also acting as the voice of their region or department by bringing relevant topics to the attention of others.

Sustainability objectives have been linked to our bonus structure for the last five years, on top of financial indicators and personal performance. You can read more about our bonus structure on page 53.

**Board Structure**





## Board of Directors

The Board of Directors is composed of 13 members and is presided by M. Cédric Van Belle.

12 of these 13 directors are not part of the Group's operational management. Five are independent of the majority shareholders, all of whom are external.

2020 and 2021 were years of transition, after the significant changes in the Puratos Group management announced in December 2019 – introduced to lead to a new generation, underlining the heritage, stability and historical continuity of the Group. With this prudent, long-term perspective, planning for these changes had begun several years prior, ensuring long-term continuity for the Group and creating the optimal conditions to perpetuate Puratos Magic.

The fundamental changes were as follows: M. Cédric Van Belle was appointed Chairman of the Board of Directors of Puratos Group as of 1 January 2022, replacing his father, M. Eddy Van Belle.

M. Pierre Tossut was appointed Chief Executive Officer as of 1 January 2022, replacing M. Daniel Malcorps – who was appointed as Vice President.

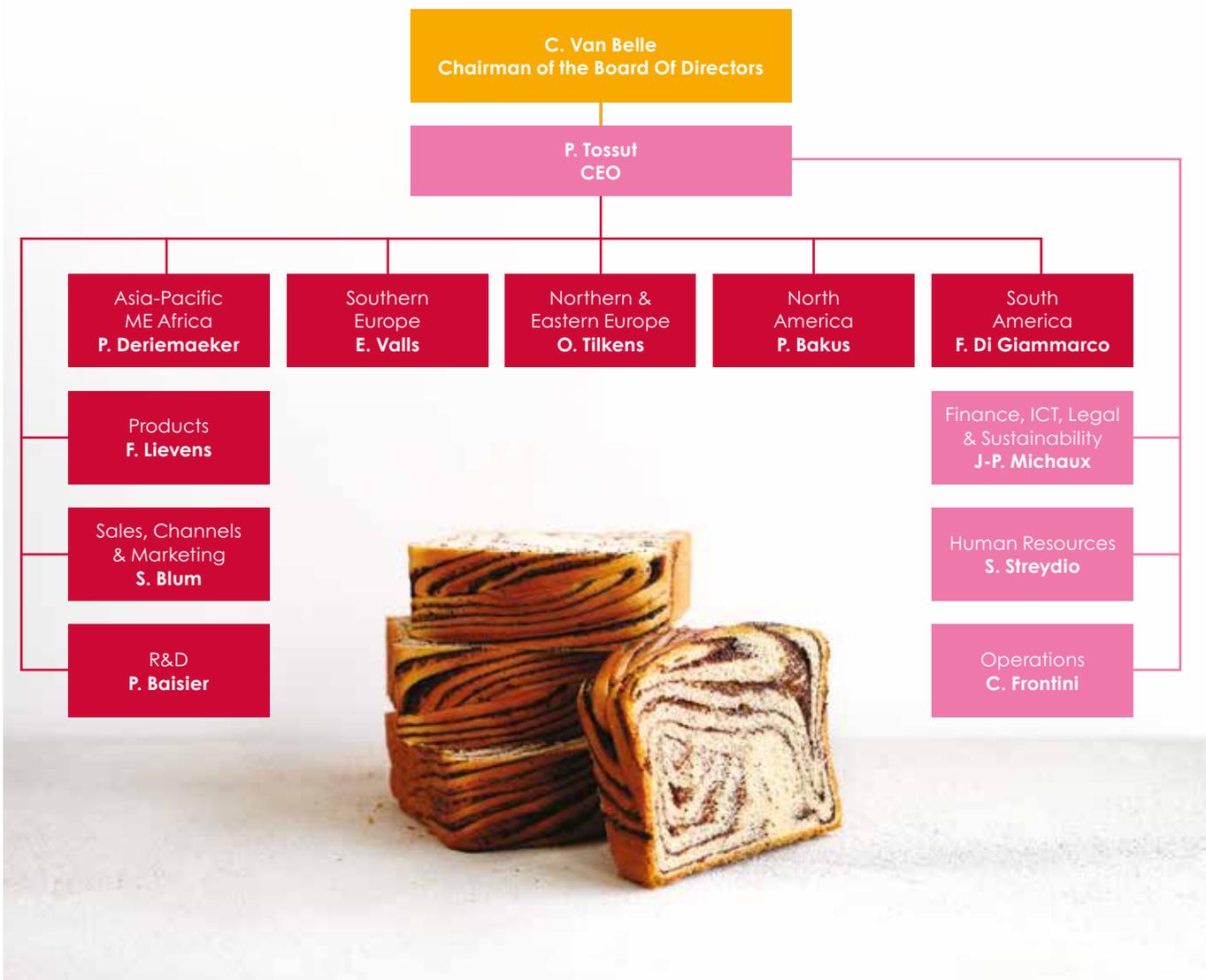
### Presentation of the Executive Committee

The Executive Committee is organized as follows:

- 5 markets
- 3 strategic business units (SBUs)
- A Channels department (artisans/distributors, large accounts, chocolatiers)
- Supporting roles

In December 2022, Fabio Di Giammarco left the Group. Guillaume Bourneau, who has been part of the Group for 20 years, leading R&D in markets including France, Italy, the USA, and most recently Plant-based BU Director, has been appointed as South & Central America market President as of 1 April 2023.

## Group Structure



## Corporate Governance Policy

Any association with corruption, illegal conduct, fraud, or any other unethical behavior goes against the values we expect to guide every employee, and could have a negative impact on our reputation, on our employees, and our business relationships. Puratos has taken several measures to strengthen its internal controls, with the aim minimizing the risks of unethical behavior.

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

Integrity and ethics are an important part of decision-making at Puratos, and we stay true to our conscience, maintaining our professional standards, honoring our commitments, and assuring absolute food safety. For all those reasons, and in accordance with evolving European legislation, we have an online Ethics Portal – 'Speak Up' – available in 40 languages.

Our Business Ethics and Labor Code of Conduct outlines our values, principles and guidelines in a variety of areas, particularly in how we conduct business activities. It also describes our anti-corruption efforts – specifically, that Puratos prohibits all forms of bribery, corruption, extortion, embezzlement, money laundering and insider trading – and 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 Code was updated in 2022, with a view to publishing a new version and communicating this to all Puratos employees in 2023. Mandatory training on ethical behavior and cyber security is organized on a regular basis to support the development of a culture that is conducive to good corporate governance.

## Human Rights

The protection of human rights is one of Puratos's core values, and this is reflected both in our internal commitments to our employees and in how we do business. All employees, without distinction, have the right to join or form trade unions, and we will always seek to align the interests of all stakeholders and endeavor to avoid social conflicts. For confidentiality reasons we cannot disclose how many employees are part of trade unions.

Our Ethic Committee meets four times a year to discuss ethical issues and how to handle them. The Ethic Committee comprises our Legal Director, Human Resources Director, Finance Director, Audit Director, and a member of the Board.

## Whistleblowing and complaints

We operate according to the highest ethical values, and our commitment is represented by our company symbol, the unicorn, which represents both integrity and courage. Ensuring we uphold the highest standards of integrity is the key to success in everything we do.

Despite our best efforts, conduct that violates the law, our Business Ethics and Code of Conduct policy, or our company policies, may occasionally be observed. In such cases, we encourage employees and third parties to speak up – giving us the opportunity to investigate the issue – and do not tolerate any form of retaliation against an individual who reports a concern in good faith.

Remaining silent about potential misconduct may worsen a situation and negatively impact the trust people place in us as an organization. It's therefore essential for us to safeguard our people and our reputation, protect our interests, and ensure we're in the best ethical position to remain successful.

All reports are strictly confidential, and concerns can be raised through a variety of channels including through our Speak Up portal.

## Data protection

Puratos Group highly values its relationships with its customers, distributors, employees, job applicants, suppliers, visitors, and other stakeholders. The Group aims to provide an adequate level of personal data protection to enhance its business relationships, trustworthiness, and its reputation. Connectivity, digitalization and the ability to process large amounts of data are becoming increasingly important. While the availability of data creates new business opportunities, we also have an obligation to take special precautions when collecting and processing it.

Data is a sensitive commodity worthy of the protection offered by a strict regulatory framework. Data responsibility involves more than just data protection, so Puratos opts for a holistic approach to ensure we meet our corporate digital responsibility obligations.

Along with compliance with relevant laws and regulations, various measures are undertaken to achieve these objectives – including everything from employee training to the introduction of a new management approach, and the extensive provision of information to our customers.

## Anchoring data protection in our organization

Puratos has a Data Protection Team which includes members from ICT and Legal. The Team developed our Data Protection Policy and strives to implement and maintain compliance with national and international data protection rules.

The Team coordinates cooperation with supervisory authorities and acts as a contact point for dealing with their requests and delivering information. The Team supervises the monitoring of compliance with this policy and may perform regular checks, reviews and audits of documents, procedures, and operations.

Members of the Team receive appropriate resources, training and guarantees of independence to ensure that the Team is able to manage tasks effectively.



### Data Protection Policy

Our Data Protection Policy applies to the processing of personal data by the entities of the Group. We consider personal data any information relating to an identified or identifiable living natural person, including biographical information (such as names and dates of birth), workplace data (such as addresses, position, phone numbers and email addresses), and online identifiers (such as IP addresses).

The Policy comprises generally accepted data protection principles, complementary to local laws. It supplements the different national data protection laws that apply to the operations of the Group. Each Puratos entity commits to fully complying with the applicable national data protection laws and with this Policy. If there is reason to believe compliance with legal obligations would contradict obligations under this Policy, the Puratos entity concerned shall inform the Data Protection Team to find a practical solution that meets the aim of our Policy.

The Policy does not apply to the data of legal entities, or to anonymous data (such as statistical data). However, the mere absence of a name does not imply that the data is anonymous – it should be impossible to trace anonymous data directly or indirectly to an individual person.

The executive bodies of each Puratos entity, and department managers, are accountable for the processing activities in their area of responsibility. They commit to effectively implementing the appropriate technical and organizational measures to ensure compliance with the applicable laws, and with this Policy. They must closely co-operate with the Data Protection Team to achieve an adequate level of protection and to effectively handle the requests of supervisory authorities and data subjects. They ensure the Data Protection Team is duly informed of data protection incidents and new or extended processing activities – especially when they involve sensitive categories of personal data or are likely to pose serious risks to the rights and freedoms of individuals.

Breach of data protection rules may be criminally prosecuted in various jurisdictions and may result in damages claims. Breaches for which individual employees are responsible may lead to sanctions under employment law.

The most recent version of this Policy is externally available on the Puratos corporate website and internally on a dedicated section of the Puratos intranet.

### Comprehensive data protection training

Puratos entities and their employees must take sufficient technical and organizational measures to protect personal data from accidental or unauthorized destruction, accidental loss, unauthorized modification, or access. These measures must be adequate considering the state of the art, the cost, and the nature of the data, and must be evaluated and tested at regular intervals.

Security and confidentiality require measures to enhance awareness of data protection issues in the organization – such as, for example, training of all functions confronted with personal data and allocation of responsibilities. Techniques such as data minimization, storage limitation, pseudonymization, encryption, confidentiality, integrity, and logging must be taking into consideration when dealing with data processing operations.

Training on cyber security awareness and data protection is mandatory for all employees worldwide. Training is available in different languages and can be reviewed whenever is necessary.

### Data protection incidents

All employees must inform their department manager and the Data Protection Team immediately when becoming aware of a violation of the Data Protection Policy, or of a security incident that could involve a personal data breach – in accordance with the applicable procedure.



# Appendix





## About this report

GRI 2-2

GRI 2-3

GRI 3-2

The purpose of this report is to communicate and report detailed information about our material topics and our societal and environmental impacts to our shareholders and stakeholders. Its intention is to present our sustainability strategy and approach in line with the 17 Sustainable Development Goals (SDGs) of the United Nations. The report has been prepared in reference to the GRI Standards. The report has been prepared in accordance to the GRI standards for the 2022 calendar year.

Both our financial operations and our non-financial performance (environmental, nutritional, occupational health, and safety aspects), as presented in this report, have been audited by Deloitte, whose auditors' report is included. We have also received a limited assurance statement on selected KPIs, which can be found on page 84, showing our stakeholders that Puratos's business operations are in line with our sustainability commitments.

### Scope of the report

The information presented is drawn from the 2022 fiscal year, comprising the 12 months starting January 2022 and ending December 2022. It focuses on the 17 material topics identified during the 2022 materiality assessment and that most influence the decision-making of our stakeholders.

The report's scope is Puratos Group NV and the subsidiaries under Puratos Group NV, excluding the acquisitions made in 2022.

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).

### Materiality assessment

GRI 2-29

GRI 3-1

GRI 3-2

Every year, we perform an update of our materiality assessment. As detailed on pages 68 and 69, this helps us identify the issues that matter most to our business and our stakeholders, and better support our reporting and strategic decision-making.

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

- Greenhouse gas emissions
- Healthy, natural and nutritious products
- Environmentally friendly products and sustainable ingredients
- Transparent and responsible sourcing
- Sustainable and circular packaging
- Responsible and ethical business conduct

We concluded that, except from sustainable and circular packaging – which is a relatively new addition to our materiality assessment – all other very high and high material topics are already extensively covered in our current strategy. For sustainable and circular packaging, we will continue to make this topic more prominent in our strategy and operations.

# Materiality assessment

The following tables give an overview of our very high and high material topics, as well as all other material topics and how they relate to our commitments to health and well-being, responsible sourcing, environment, heritage, people and communities.

## High Material Topics

Material issue	Definition	Commitments
<b>Greenhouse gas emissions</b>	Reducing greenhouse gas emissions from our operations, buildings and transport, by improving our energy efficiency, by generating and purchasing renewable energy, and by offsetting our carbon footprint.	
<b>Healthy, natural and nutritious products</b>	Offering healthy, natural and nutritional products by innovating continuously in order to remove or reduce unnecessary and/or unnatural ingredients from or finished products (such as additives, preservatives, artificial colors/flavors, and so on), and to develop more plant-based and gluten-free products, reducing the sugar, fat and salt content while increasing the content of cereals and fruits in our products and recipes.	
<b>Environmentally friendly products and sustainable ingredients</b>	Offering environmentally friendly products made from sustainable ingredients by innovating continuously to improve the environmental impact of our products, and by sourcing ingredients from suppliers respecting the environment, fauna and flora (for example working in responsibly managed areas not contributing to the loss of biodiversity and soil and forest degradation, taking into account palm oil issues, and so on).	 
<b>Transparent and responsible sourcing</b>	Ensuring responsibility and ethics in our supply chain by having our suppliers sign our Code of Conduct and comply with our commitments regarding human rights, forced and child labor, living income, and animal welfare, and improving the transparency of our organization and products by promoting the traceability of our ingredients and the correct and honest label-ling of our products.	  
<b>Sustainable and circular packaging</b>	Puratos is committed to reducing its packaging as much as possible by developing and adopting packaging innovations (for example more efficient packaging), and to making all of its packaging recyclable or reusable in order to contribute to a circular economy.	
<b>Responsible and ethical business conduct</b>	Conducting business in a responsible and ethical way by adopting a zero-tolerance stance against bribery and corruption, by considering the impact of societal and environmental challenges (such as effects of climate change, health and demographic shifts) on our business and in our strategic decisions, and by ensuring the data we collect, share and use is governed in a responsible and structured way and is protected from external and internal attacks.	 

-  Very high materiality
-  High materiality
-  Medium materiality
-  Low materiality

### Our Commitments



Health & Well-Being



Responsible Sourcing



Environment



Heritage



People



Communities



## Other Material Topics

Material issue	Definition	Commitments
<b>Food quality and safety</b>	Ensuring the quality and safety of our finished products, among others, by innovating continuously.	
<b>Food waste</b>	Reducing food waste in our production as well as among our customers and consumers by developing and adopting product and process innovations (such as developing ingredients able to prolong the shelf life of our products).	
<b>Employee health, safety and well-being</b>	Ensuring our employees work safely and are in good physical and mental health by caring for and educating our employees and providing health insurance to them and their families.	
<b>Employee diversity, inclusion and equal opportunities</b>	Offering the same opportunities to all employees, irrespective of their age, nationality, gender, sexual orientation or religion, to ensure our employees feel a sense of belonging and support, as well as promoting women's sense of self-worth, ability to make their own choices and right to influence social change.	
<b>Water stewardship</b>	Reducing our wastewater by implementing sustainable water management in our activities, by ensuring our wastewater poses no risks to aquatic life downstream, and by supporting water management initiatives in water-stressed areas.	
<b>Community engagement and development</b>	Becoming a long-term partner to the communities in which we operate, by sharing knowledge and skills, and investing in programs to safeguard biodiversity and improve local living conditions.	
<b>Healthy, natural and nutritional diet awareness</b>	Increasing the awareness of healthy diets and malnutrition (including over-nutrition and under-nutrition) among consumers and employees, by organizing campaigns about products or ingredients and by giving our products a nutritional score.	
<b>Thought leadership and preservation of food culture</b>	Being a thought leader and preserving the traditional ways of making bread, cakes and chocolate, in order to serve our customers and consumers in the best way possible – now and in the future.	
<b>Products and ingredients resilience</b>	Ensuring the resilience of our products and ingredients by considering the impact of societal challenges (such as the consequences of climate change, pandemics, and so on) on the supply of our ingredients and in the specificities of our products, and continuously innovating to adapt our products to these challenges.	
<b>Non-food waste</b>	Reducing our operational waste by increasing awareness among our employees and optimally sorting and recycling our waste.	
<b>Employee learning and development</b>	Ensuring our employees can continuously learn and develop themselves by providing them with educational programs.	

## 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.

We selected stakeholders along our entire value chain, taking into account the impact we have on them and the potential impact they have on us.





Our stakeholders	Issues	Puratos's responses
<b>Communities</b>	Social and environmental responsibilities.	Climate change and environmental protection.
	Partnership in community development.	Support local communities.
<b>Consumers</b>	Eco-labeling; Affordable pricing; Food safety.	Innovation and product responsibility (quality, food safety).
	Product quality (health and nutrition); Social and environmental responsibilities.	Responsible sourcing; Climate change and environmental protection.
<b>Customers</b>	Product quality; Food safety; Service quality; Affordable price; Social and environmental responsibilities.	Innovation and product responsibility (quality, food safety); Increased communication on sustainability; Responsible climate change and environmental protection.
	Eco-labeling.	Responsible sourcing.
<b>Employees</b>	Fair compensation and benefits; Fair labor practices; Safety and well-being.	Human rights and fair labor practices; Human capital development.
	Career development and opportunity; Career security.	Management program.
	Work-life balance.	Engagement survey.
<b>Government</b>	Legal compliance; Participation in government programs.	Transparency and governance (anti-corruption, data disclosure, tax policy and reporting).

GRI	Indicator in MWh	Year 2016 (MWh)	Year 2021 (MWh)	Year 2022 (MWh)	Explanation
<b>GRI 302 Energy</b>					
<b>GRI 2: General Disclosure</b>					
<b>Fuel</b>	Natural gas	213,797	295,237	278,140	Only in 1 production site in Belgium (Groot-Bijgaarden) where there is heat generation with natural gas. Everywhere else natural gas is used to generate steam.
	Liquefied Petroleum Gases	10,868	3,300	6,498	LPG is used in 10 countries to generate steam (2 of them stopped using LPG during the year, 1 switched to Natural Gas and the other one stopped using LPG thanks to heat pump system).
	Gas and diesel oil	20,848	22,625	20,361	Gas and diesel oil is used in 1 production plant in Saint-Vith (Belgium) to generate heat. In 9 other countries it is used to generate steam.
	Residual Fuel Oil	3,937	4,996	4,209	Residual fuel oil is only used in Morocco to generate steam.
	<b>a. Total Non-renewable fuel consumed</b>	<b>249,450</b>	<b>326,159</b>	<b>309,208</b>	
<b>b. Total Renewable fuel consumed</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Electricity</b>	Non-renewable electricity	147,319	33,858	18,758	
	Renewable electricity on-site	0	3,044	6,665	Production of renewable electricity on site since 2020 in Malaysia, India, since 2021 in South Africa, Vietnam, Thailand, Turkey, Greece and Belcolade and since 2022.
	Renewable electricity imported	0	127,485	142,271	2022 Renewable electricity was purchased through green certificates in Belgium, Spain, Latvia, Romania, Italy, Russia and Hungary (GO = 88500 MWh), UK (REGO = 2,328 MWh), USA and Canada (REC Green-e certified = 23,600 MWh), China, Brazil, Mexico, Vietnam, Thailand, Indonesia, Turkey and Morocco (I-REC = 25,212 MWh) and direct supplier contract in France, Portugal, Philippines, Netherlands, Chile, Austria and Costa Rica (9,507 MWh) equaling to 100% of the electricity used by our facilities in these countries. On the Group level, this equals to 88% of the total electricity use.
	<b>c. Total electricity consumed</b>	<b>147,319</b>	<b>164,386</b>	<b>167,693</b>	
<b>District Heating</b>	Non-renewable district heating	496	1,432	1,092	Austria and Hungary district heating for building heating.
	<b>d. Total District Heating consumed</b>	<b>496</b>	<b>1,432</b>	<b>1,092</b>	Austria and Hungary district heating for building heating.
<b>Energy</b>	<b>Total Non-renewable energy consumed</b>	<b>397,265</b>	<b>361,449</b>	<b>329,057</b>	
	<b>Total Renewable energy consumed</b>	<b>0</b>	<b>130,528</b>	<b>148,936</b>	
<b>302-1</b>	<b>Total Energy consumed</b>	<b>397,265</b>	<b>491,977</b>	<b>477,993</b>	3% decrease in total consumption in 2022 is due to energy efficiency and lower production volumes. 2022 Production volumes decreased by 1.9% compare to 2021 but it still increased by 22.9% compared to 2016 our reference year.



GRI	Indicator in MWh	Year 2016 (MWh)	Year 2021 (MWh)	Year 2022 (MWh)	Explanation
<b>GRI 302 Energy</b>					
<b>Energy intensity (302-3)</b>					
Energy intensity	Fuel intensity from Stationary combustion	100	100.69	96.76	Energy intensity target and progress made as Metric tons CO <sub>2</sub> e per standard unit of production which is then normalized using 2016 base year emissions. This encompasses the use of electricity, fossil fuel, natural gas, light fuel, LPG.
	Electricity intensity	100	89.21	88.96	
<b>302-3</b>	<b>Total Energy Intensity Primary</b>	<b>100</b>	<b>93.50</b>	<b>90.88</b>	To calculate the normalized year energy we took our internally standard energy per technology (based on product mix and production requirements). This way it is ensured that efficiency will be truly improved in our own operations. Corporate results is the sum of individual result from each production site. 2016: reference year: Index is 100. 2022: Index is 90.88. When comparing 2016 and 2022, we observed a decrease of 9.1% of our energy intensity.

### Reduction of energy consumption (302-4)

Energy reduction	Reduction of fuel consumption from Stationary combustion		-9,497	-12,101	Puratos aims to consume less energy per tonne produced. The reduction of energy consumption reported here is the direct result of our improved energy efficiency compared to 2016, multiplied by our actual energy usage. Whereas our total corporate energy use has increased due to business growth, this figure shows how much we have saved compared to what we should have consumed, adjusted to out increased business activity. This energy reduction is the result of several initiatives on each site. It is part of our reduction strategy based on 7 pillars: production of renewable energy on site, good house keeping, process optimization, utility optimization, and energy saving initiatives such as utility optimization, energy integration and awareness behavior change.
	Reduction of electricity consumption		-21,145	-462	
<b>302-4</b>	<b>Total Energy Reduction Primary</b>		<b>-52,600</b>	<b>-13,599</b>	

GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation
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### GRI 305 Emissions

#### Scope 1 Direct GHG emissions (305-1)

Scope 1	Stationary combustion	47,461	61,461	58,221	We use WRI methodology from <b>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</b> . We use the tool "GHG emissions from stationary combustion v4.1 (May 2015)" and using UK Conversion factors 2022 for Transport (cars and trucks). First, emission of annual refrigerant gas leakage was estimated in one large production site Erembodegem. Calculation of reported leakage in 2021 (reported leakage 16 tCO <sub>2</sub> e and site's total emissions 4,503 tCO <sub>2</sub> e) and in 2022 (reported leakage 4 tCO <sub>2</sub> e and site's total emissions 4,231 tCO <sub>2</sub> e). Emissions of refrigerant gas leakages have also been estimated in 5 other and smaller sites in 2021 as part of their CO <sub>2</sub> Neutral certification. For these sites accounting for 10,000 tCO <sub>2</sub> e, fugitive emissions represent 2%. Note: For smaller sites, data collection for refrigerant is not easy: in most cases, the contractor doesn't report the quantity replaced.
	Transport	18,520	18,057	18,101	
	Refrigerant	not relevant	not relevant	not relevant	
<b>305-1</b>	<b>Scope 1 Direct Emissions</b>	<b>65,981</b>	<b>79,518</b>	<b>76,322</b>	

GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation
<b>GRI 305 Emissions</b>					
<b>Scope 2 Energy Indirect GHG emissions (305-2)</b>					
<b>305-2-a</b>	<b>Scope 2 Location-based Gross Electricity</b>	<b>-41,017</b>	<b>-43,637</b>	<b>-43,238</b>	We use WRI methodology from <b>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</b> . We use the market-based method defined by the GHG Protocol's Scope 2 standard and we used the market-based method emission factor hierarchy and the location-based method emission factor hierarchy. We used local grid emission factors since supplier-specific emission factors were not available.
	Purchased Renewable Electricity Certificates	0	-28,876	-33,704	
<b>305-2-b</b>	<b>Scope 2 Market-based Net Electricity</b>	<b>41,017</b>	<b>14,761</b>	<b>9,535</b>	2022 Renewable electricity was purchased through green certificates in Belgium, Spain, Latvia, Romania, Italy, Russia and Hungary (GO = 88,500 MWh), UK (REGO = 2,328 MWh), USA and Canada (REC Green-e certified = 23,600 MWh), China, Brazil, Mexico, Vietnam, Thailand, Indonesia, Turkey and Morocco (I-REC = 25212 MWh) and direct supplier contract in France, Portugal, Philippines, Netherlands, Chile, Austria and Costa Rica (9,507 MWh) equaling to 100% of the electricity used by our facilities in these countries. On the Group level, this equals to 88% of the total electricity use.
<b>Total Emissions Scope 1 &amp; 2</b>	<b>Gross Operations</b>	<b>-106,998</b>	<b>-123,155</b>	<b>-119,560</b>	3% decrease in total consumption in 2022 is due to energy efficiency and lower production volumes. 2022 Production volumes decreased by 1.9% compare to 2021 but it still increased by 22.9% compared to 2016 our reference year.
	<b>Net Operations</b>	<b>106,998</b>	<b>94,279</b>	<b>85,856</b>	
<b>Scope 3 Other Operations Indirect GHG emissions (305-3)</b>					
<b>305-3-1a</b>	<i>Optional: Water supplied</i>	660	383	369	Calculated third-party emissions from water supply and water treatment for water disposed of via the drains. Source: UK Government Conversion Factors 2022 for greenhouse gas (GHG).
<b>305-3-3b</b>	Transmission and distribution losses	14,390	18,797	17,806	Calculated upstream emissions of purchased electricity from location based using national correction factor for transmission and distribution losses induced emissions. Source: IEA – CO <sub>2</sub> emissions from fuel combustion 2022 Edition. Calculated upstream emissions of district heating from location based using national correction factor for transmission and distribution losses induced emissions. Source: IEA – CO <sub>2</sub> emissions from fuel combustion 2022 Edition. Calculated well-to-tank fuels to account for the upstream Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to an organization's site (or asset) prior to their combustion. Source: UK Government Conversion Factors 2022 for greenhouse gas (GHG).



GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation
<b>GRI 305 Emissions</b>					
305-3-4	Upstream transportation distribution	not available	98,579	32,732	<p>We use WRI methodology from <b>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</b>.</p> <p>It was not possible to use the fuel-based method because we have no information on quantity and fuel cost consumed during transportation.</p> <p>For road and sea, we started to use an extrapolated distance-based method thanks to a study we realized with our 10 main transporters to refine our calculation. These transporters represent respectively 53% and 56% of the total cost spent on road and sea transportation in 2021. They provided us the distances for all the trips organized with them in 2021. Sometimes they even gave us the emissions for the trips directly but for the majority of them, we calculated the emissions using the distances. We obtained total emissions for each shipment type (road and sea) and since the total cost of transportation for these transporters is available, we could define new emission factors in kg CO<sub>2</sub>/€. Road emission factors were confirmed by a separate study done internally with our main ROAD transporter in Germany.</p> <p>For air and rail, we still use the spend-based method defined by the GHG Protocol's Technical Guidance for Calculating Scope 3 (v1.0) and we use emission factors from Scope-3-Evaluator tool (<a href="https://quantis-suite.com/Scope-3-Evaluator/">https://quantis-suite.com/Scope-3-Evaluator/</a>).</p> <p>Raw data was available on the weight, country level, cost of goods, cost of transportation and mode of transportation.</p> <p>Data from transportation was estimated based on reliable cost reporting in 22 countries that represent 82% of our total estimated cost for transportation. The remaining 18% of our transportation cost was extrapolated using the same shipment type repartition.</p>
305-3-5	Waste generated in operations	not available	4,159	3,684	<p>In 2021, Puratos set commitments regarding waste:</p> <ol style="list-style-type: none"> <li>1) Send Zero Waste to Landfill by 2025 in our TOP12 countries (based on production volumes) and by 2030 for the whole group;</li> <li>2) Reduce the residual waste fraction and maximize recycling.</li> </ol> <p>Puratos waste strategy to reach these commitments was defined and approved by the Top management in 2022. In this context, a waste register tool was created and all the sites were asked to provide some information on the waste generated (type of waste, quantity, waste processor name, treatment method...). To convert this data in CO<sub>2</sub> emissions the UK Government Conversion Factors 2022 for greenhouse gas (GHG) were used.</p> <p>Subtotal 1 = 1,968 tCO<sub>2</sub>e.</p> <p>First estimate: For the production sites for which we had no answer representing 9% of the 2022 Group production volumes total, we considered that they represent as well 9% of the total waste volumes reported and by default we considered as residual wastes going to landfill. Subtotal 2 = 1,685 tCO<sub>2</sub>e.</p> <p>Second estimate: For the non-production sites for which we had no answer, wastes volumes were estimated using an average of the data we had received for non-production sites. All the wastes were considered as residual wastes going to landfill. Subtotal 3 = 30 tCO<sub>2</sub>e.</p> <p>Total 2022 = 1,968 + 1,685 + 30 = 3,683 tCO<sub>2</sub>e.</p>
305-3-6	Business travel (flights)	not available	60	940	<p>Data is coming from FCM Travel Solutions who, as a travel agency, arranges 98% all the business trips that include flights in the trip. Business travel only by other means than airplanes are minimal and are not considered to be relevant. CO<sub>2</sub> emissions are calculated using the ICAO methodology. 2% of the travels are estimated as they are not bought through FCM Travel Solutions. The analytical variation on the business travel figures is due to the lift of the covid restrictions.</p>

GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation
<b>GRI 305 Emissions</b>					
305-3-7	Optional: Employee commuting	not available	not available	not available	We have started to work on our scope 3 emissions in 2019 but we have no data on the emissions linked to employee commuting. A significant part of our employee have company cars therefore a part of employee commuting is already included in our scope 1.
<b>305-3</b>	<b>Total Scope 3 Indirect operations</b>	<b>not available</b>	<b>121,978</b>	<b>55,531</b>	
<b>Scope 3 Agricultural Commodities (AC)</b>					
<b>Agricultural Commodities (AC)</b>	RSPO certified	not available	108,266	156,565	Puratos is concerned and taking concrete action by sourcing increasingly more sustainable palm oil. At this stage Puratos is able to estimate indirect GHG from palm oil purchasing using secondary data. In 2022, Puratos purchased 86,891 tons of refined palm oil (RBD) of which 52% was RSPO-certified. Puratos consider the use of consequential model to be more accurate, although results of both approach in case of palm oil are very similar. The consequential model shows a global warming impact of 3.41 and 5.34 kg CO <sub>2</sub> e/kg RBD oil for RSPO-certified and non-certified production respectively (Schmidt J, De Rosa M. Comparative Life Cycle Assessment of RSPO-certified and Non-certified Palm Oil. 2.-0 LCA consultants (2019), <a href="https://lca-net.com/publications/show/comparative-life-cycle-assessment-of-rspo-certified-and-non-certified-palm-oil/">https://lca-net.com/publications/show/comparative-life-cycle-assessment-of-rspo-certified-and-non-certified-palm-oil/</a> ). In 2022: RSPO-certified 45,913 tons x 3.41 kg CO <sub>2</sub> e/kg RBD oil = 156,565 tons CO <sub>2</sub> e None-certified 40,978 tons x 5.34 kg CO <sub>2</sub> e/kg RBD oil = 218,821 tons CO <sub>2</sub> e Total palm oil: 156,565 + 218,821 = 375,386 tons CO <sub>2</sub> e.
	None-certified	not available	385,670	218,821	
	<b>Palm</b>	<b>not available</b>	<b>493,936</b>	<b>375,386</b>	
	Sugar beet	not available	126,887	135,104	At this stage Puratos provide here an estimate of GHG from sugar purchasing using secondary data and purchased volume of sugar beet, sugar cane, sugar corn/maize and fructose. 0.771 kg CO <sub>2</sub> e/kg beet sugar and 0.76 kg CO <sub>2</sub> e/kg cane sugar were the two conversion factors used to calculate the beet and cane sugar carbon footprint. These factors take into account the mineral soil and the transportation overseas towards Europe what is relevant because 58% of Puratos' sugar-based products are sold in wider Europe including Russia, Turkey and Morocco (Klenk, Ingo & Landquist, Birgit & Imana, Oscar. (2012). The Product Carbon Footprint of EU beet sugar (Part I). Zuckerindustrie. 137. 169-177. 10.36961/sil2784., <a href="https://www.researchgate.net/publication/280015218_The_Product_Carbon_Footprint_of_EU_beet_sugar_Part_I">https://www.researchgate.net/publication/280015218_The_Product_Carbon_Footprint_of_EU_beet_sugar_Part_I</a> ). 1.100 kg CO <sub>2</sub> e/kg corn sugar was the conversion factor used to calculate corn sugar carbon footprint (Tsiropoulos 2013, Journal of Cleaner Production, Volume 43, March 2013, Pages 182-190, Energy and greenhouse gas assessment of European glucose production from corn – a multiple allocation approach for a key ingredient of the bio-based economy. <a href="https://doi.org/10.1016/j.jclepro.2012.12.035">https://doi.org/10.1016/j.jclepro.2012.12.035</a> ) From 2022 we included the sweeteners in this reporting. we identified 2 of them: dextrose and fructose. Since dextrose is made of 90% of corn, we used the same factor than from corn sugar and for fructose, we used the emission factor available in Agribalyse (last update October 2022). In 2022: Beet sugar 175,232 tons x 0.771 kg CO <sub>2</sub> e/kg beet sugar = 135,104 tons CO <sub>2</sub> e Cane sugar 29,249 tons x 0.760 kg CO <sub>2</sub> e/kg cane sugar = 22,229 tons CO <sub>2</sub> e Corn/Maize sugar 16,070 tons x 1.10 kg CO <sub>2</sub> e/kg corn sugar = 17,677 tons CO <sub>2</sub> e Fructose 19,317 tons x 1.40 kg CO <sub>2</sub> e/kg fructose = 27,044 tCO <sub>2</sub> e Total sugar + sweeteners: 135,104 + 22,229 + 17,677 + 27,044 = 202,053 tCO <sub>2</sub> e.
	Sugar cane	not available	21,664	22,229	
	Sugar Maize/Corn	not available	7,863	17,677	
	Fructose	not available	not available	27,044	
	<b>Sugar</b>	<b>not available</b>	<b>156,415</b>	<b>202,053</b>	



GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation
<b>GRI 305 Emissions</b>					
<b>Agricultural Commodities (AC)</b> (continued)	Wheat	not available	107,699	107,193	<p>At this stage Puratos provide here an estimate of GHG from purchased volume of wheat of which 92% is wheat flour, 6% is cereal proteins and 2% is starch.</p> <p>Puratos has a partnership with Brunel University and used their 2017 Life Cycle Analysis from cradle to gate to estimate emissions from wheat-to-bread supply chain (Goucher 2017, Nature plants, Volume 3, article number 17012, The environmental impact of fertilizer embodied in a wheat-to-bread supply chain). This is a peer-reviewed data. From the whole supply (736 g CO<sub>2</sub>e/kg of bread), it is clear immediately that wheat cultivation is the major source of GHG emissions (485 g CO<sub>2</sub>e/kg of bread) with the growth and protection process stages (mostly fertilizer) alone accounting for the main parts (351 g CO<sub>2</sub>e/kg of bread). Milling added a further 3.5 g CO<sub>2</sub>e/kg of bread and the bakery stage 216 kg CO<sub>2</sub>e/kg of bread. The LCA was made considering 86% wheat per kg of bread (688 g of grains produced on the cultivation land required to make a 800 g loaf of bread). All the processes involved in cultivation of wheat account for 65.8% of the total GWP, which is within the range of previous analyses using secondary data sets. Therefore average emissions factor is <math>485/1000/(688/800) = 0.5656</math> kg CO<sub>2</sub>e/kg wheat flour. We also found other emission factors in the literature for wheat flour (0.492 kg CO<sub>2</sub>e/kg in the US (USDA APHIS, 2020 <a href="https://fieldtomarket.org/national-indicators-report/wheat/">https://fieldtomarket.org/national-indicators-report/wheat/</a>), 0.551 kg CO<sub>2</sub>e/kg from France (Agribalyse (last update October 2022)) but we still prefer to use the factor we used in the past which is more conservative. This factor was confirmed when we calculated the indirect emissions for Vietnam as part of its CO<sub>2</sub> Neutral certification together with South Pole. Emission factor from Agrifootprint 2020 was used and it was equal to 0.53 kg CO<sub>2</sub>e/kg which is close to the one we always used. Within the same project, we also identify emission factors for cereal/proteins (1.06 kg CO<sub>2</sub>e/kg) and starch (0.98 kg CO<sub>2</sub>e/kg) from the same source which will help us to refine our calculations from 2021.</p> <p>In 2022: Wheat: 189,522 tons x 0.5656 kg CO<sub>2</sub>e/kg wheat flour = 107,193 tons CO<sub>2</sub>e            Proteins: 11,036 tons x 1.06 kg CO<sub>2</sub>e/kg proteins = 11,647 tons CO<sub>2</sub>e            Starch: 4,943 tons x 0.98 kg CO<sub>2</sub>e/kg starch = 4,830 tons CO<sub>2</sub>e            Total wheat: 107,193 + 11,647 + 4,830 = 123,671 tons CO<sub>2</sub>e.</p>
	Proteins	not available	11,042	11,647	
	Starch	not available	5,746	4,830	
	<b>Wheat</b>	<b>not available</b>	<b>124,488</b>	<b>123,671</b>	

GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation	
<b>GRI 305 Emissions</b>						
<b>Agricultural Commodities (AC)</b> (continued)	Cocoa Mass	not available	not available	239,366	<p>At this stage Puratos provide here an estimate of GHG from purchased volume of cocoa of which 46% is cocoa mass, 30% is cocoa butter, 22% is cocoa powder and 2% is cocoa beans from which 8.5% is sourced through our Cacao trace program.</p> <p>We used 2 different emission factors for cocoa beans depending if they were sourced through our Cacao Trace program or not. For the Cacao Trace cocoa beans, we used an emission factor 2.50 kg CO<sub>2</sub>e/kg cocoa beans. This factor is excluding land use change and comes from a study realized in Indonesia by the Swiss Confederation (Carbon Stock and Carbon Footprint in the Indonesian Cocoa Sector Sustainable Cocoa Production Program SCPP, 2016).</p> <p>For the rest of cocoa beans, cocoa mass, cocoa butter and cocoa powder, we used emission factors from a study Cargill realized together with Quantis (Carbon footprint of Cargill cocoa &amp; chocolate's promise vs. non promise cocoa products, 2022) including land use change.</p> <p>In 2022: Cocoa beans: - Cacao Trace 168 tons x 2.50 kg CO<sub>2</sub>e/kg cocoa beans = 420 tCO<sub>2</sub>e - not Cacao Trace 739 tons x 10 kg CO<sub>2</sub>e/kg cocoa beans = 7,387 tCO<sub>2</sub>e Cocoa mass: 21,565 tons x 11.1 kg CO<sub>2</sub>e/kg cocoa mass = 239,366 tCO<sub>2</sub>e Cocoa butter: 13,864 tons x 13.3 kg CO<sub>2</sub>e/kg cocoa butter = 184,396 tCO<sub>2</sub>e Cocoa powder: 10,008 tons x 9 kg CO<sub>2</sub>e/kg cocoa powder = 90,075 tCO<sub>2</sub>e Total cocoa: 420 + 7,387 + 239,366 + 184,396 + 90,075 = 521,645 tCO<sub>2</sub>e.</p>	
	Cocoa Butter	not available	not available	184,396		
	Cocoa Powder	not available	not available	90,075		
	Cocoa beans	not available	not available	7,807		
	<b>Cocoa</b>	<b>not available</b>	<b>not available</b>	<b>521,645</b>		
	Cheese	not available	not available	3,188		<p>At this stage Puratos provide here an estimate of GHG from purchased volume of dairy products of which 74% is milk powder, 20% is milk, 5% is cheese and 1% is cream and yogurt.</p> <p>After comparing emission factors from different sources, we used emission factors from Agribalyse (last update October 2022) to calculate our dairy products carbon footprint in the most conservative way.</p> <p>In 2022: Milk powder: 23,685 tons x 14.82 kg CO<sub>2</sub>e/kg milk powder = 351,028 tCO<sub>2</sub>e Milk: 6,248 tons x 1.50 kg CO<sub>2</sub>e/kg milk = 9,383 tCO<sub>2</sub>e Cheese: 1,444 tons x 2.21 kg CO<sub>2</sub>e/kg cheese = 3,188 tCO<sub>2</sub>e Cream: 232 tons x 3.57 kg CO<sub>2</sub>e/kg cream = 829 tCO<sub>2</sub>e Yogurt: 91 tons x 2.12 kg CO<sub>2</sub>e/kg yogurt = 193 tCO<sub>2</sub>e Total dairy products: 351,028 + 9,383 + 3,188 + 829 + 193 = 364,622 tCO<sub>2</sub>e.</p>
	Cream	not available	not available	829		
	Milk	not available	not available	9,383		
	Milk powder	not available	not available	351,028		
	Yogurt	not available	not available	193		
<b>Dairy products</b>	<b>not available</b>	<b>not available</b>	<b>364,622</b>			
Apple	not available	not available	1,917	<p>At this stage Puratos provide here an estimate of GHG from purchased volume of the 3 most purchased fruits: apples, cherries and strawberries accounting respectively for 30%, 14% and 12% of all the fruits purchased by Puratos.</p> <p>We used emission factors from Agribalyse (last update October 2022) to calculate the cherries and strawberries carbon footprint. Since that in this database emission factor for apples is very low, we used the emission factors from a statistical study of over 30,000 farms worldwide (Poore and Nemececk, Reducing food's environmental impacts through producers and consumers, Science Magazine, 2018).</p> <p>In 2022: Apples: 4,792 tons x 0.40 kg CO<sub>2</sub>e/kg apple = 1,917 tCO<sub>2</sub>e Cherries: 2,187 tons x 0.44 kg CO<sub>2</sub>e/kg cherries = 968 tCO<sub>2</sub>e Strawberries: 1,966 tons x 1.04 kg CO<sub>2</sub>e/kg strawberries = 2,045 tCO<sub>2</sub>e Total fruits: 1,917 + 968 + 2,045 = 4,924 tCO<sub>2</sub>e.</p>		
Cherry	not available	not available	968			
Strawberry	not available	not available	2,045			
<b>Fruits</b>	<b>not available</b>	<b>not available</b>	<b>4,928</b>			



GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016 (tCO <sub>2</sub> e)	Year 2021 (tCO <sub>2</sub> e)	Year 2022 (tCO <sub>2</sub> e)	Explanation
<b>GRI 305 Emissions</b>					
<b>Agricultural Commodities (AC)</b> (continued)	Maize	not available	not available	1,285	At this stage Puratos provide here an estimate of GHG from purchased volume of maize of which 88% is maize starch and 12% is maize flour. We used emission factors from Agribalyse (last update October 2022) to calculate the maize carbon footprint. In 2022: Maize starch: 13,101 tons x 1.08 kg CO <sub>2</sub> e/kg maize starch = 14,207 tCO <sub>2</sub> e Maize flour: 1,725 tons x 0.74 kg CO <sub>2</sub> e/kg maize flour = 1,285 tCO <sub>2</sub> e Total maize: 1,285 + 14,207 = 15,491 tCO <sub>2</sub> e
	Starch	not available	not available	14,207	
	<b>Maize</b>	<b>not available</b>	<b>not available</b>	<b>15,491</b>	
	<b>Rapeseed</b>	<b>not available</b>	<b>not available</b>	<b>37,194</b>	
	<b>Scope 3 Agricultural Commodities</b>	<b>not available</b>	<b>774,839</b>	<b>1,646,289</b>	
<b>GHG emissions intensity (305-4)</b>					
<b>Emissions Intensity Index</b>	CO <sub>2</sub> Intensity Index from stationary combustion (unit = Intensity Index)	100	100.13	96.17	Emissions intensity target and progress made as Metric tons CO <sub>2</sub> e per standard unit of production which is then normalized using 2016 base year emissions. Puratos aim to achieve 75 CO <sub>2</sub> Efficiency Index meaning improve the operational efficiency by 25% for the Puratos Group for the period 2016-2025. The achievement of this target is measured through CO <sub>2</sub> e emissions coming from the total energy use. This encompasses the use of electricity, fossil fuel, natural gas, light fuel, LPG and motor diesel and gasoline. To calculate the normalized year emissions we took our internally standardized CO <sub>2</sub> e emissions (based on product mix and production requirements). This way it is ensured that efficiency will be truly improved in our own operations. Corporate results is the sum of individual result from each production site. 2016: reference year is Index 100. 2022: Index is 89.95. When comparing 2016 and 2022, we observed a decrease of 10% of our emissions intensity index.
	CO <sub>2</sub> Intensity Index from transport (unit = Intensity Index)	100	99.64	93.08	
	CO <sub>2</sub> Intensity Index from electricity (Location based) (unit = Intensity Index)	100	86.06	81.59	
<b>305-4</b>	<b>Total Emissions Intensity Index (based on scope 1 &amp; scope 2 Location based) (unit = Intensity Index)</b>	<b>100</b>	<b>94.31</b>	<b>89.95</b>	
<b>Reduction of GHG emissions (305-5)</b>					
<b>Emissions Reduction</b>	CO <sub>2</sub> Reduction from stationary combustion		-1,853	-2,306	Puratos aims to emit less greenhouse gas emissions per tonne produced. The reduction of CO <sub>2</sub> -equivalents we are reporting here is directly based on our improved CO <sub>2</sub> efficiency, multiplied by our actual CO <sub>2</sub> emissions. Whereas our total greenhouse has emissions have increased due to business growth, this figure shows how much we have saved compared to what we should have emitted, adjusted to our increased business activity. This reduction is the result of several initiatives on each site. It is part of our reduction strategy based on 7 pillars: production of renewable energy on site, good house keeping, process optimization, utility optimization, and energy saving initiatives such as utility optimization, energy integration and awareness behavior change.
	CO <sub>2</sub> Reduction from Transport		-206	-127	
	CO <sub>2</sub> Reduction from electricity as Location based		-5,692	-2,234	
<b>305-5</b>	<b>Total Gross Emissions Reduction (based on scope 1 and scope 2 Location based)</b>		<b>-7,750</b>	<b>-4,772</b>	

GRI	Indicator in ML (Megaliters = 1 million liter)	Year 2016		Year 2022		Explanation	
		All areas	Water stress	All areas	Water stress	All areas	Areas with water stress
<b>GRI 303 Water and Effluents</b>							
<b>Water withdrawal (303-3)</b>							
Water withdrawal	<b>i. Surface water</b>	0	0	0	0		
	Fresh water	0	0	0	0		
	Other water	0	0	0	0		
	<b>ii. Groundwater</b>	755	642	601	367	Well water pumped in 15 sites & 1 admin building/warehouse.	7 production sites in water stress area.
	Fresh water	755	642	601	367		
	Other water	0	0	0	0		
	<b>v. Third-party water</b>	932	587	1,292	876	Sum of all city water from 56 production sites & 14 admin buildings/warehouses, industrial water in Charmes and, Truck water in Bulgaria, Iran, Mexico and Kenya. This is excluding rain water used from Eredebodegem and Philippines (=1.272ML) and water reused (wastewater treated) in Andenne (=40.567ML).	23 production sites (and 2 offices) in water stress area.
	Fresh water	932	587	1,292	876		
	Other water	0	0	0	0		
	Third-Party water withdrawal from Surface Water	6		9		In Charmes France, industrial water supply is river water after filtration.	
Third-Party water withdrawal from Groundwater	926	587	1,283	876			
<b>303-3</b>	<b>Total Water Withdrawal</b>	<b>1,687</b>	<b>1,229</b>	<b>1,893</b>	<b>1,242</b>	Mapping of all production sites with geographic locations then we used the Aqueduct 3.0 Water Risk Atlas to determine water stress level. If Baseline is above 40% we consider the area at risk of water stress (High to Extremely High).	
<b>Water discharge (303-4)</b>							
Water discharge by destination	i. Surface water	749	721	694	679	12 production sites discharge directly to surface water.	11 production sites. China, Malaysia and Peru sites are not in water stressed areas.
	ii. Groundwater	14	14	26	26	Both sites in Iran discharge directly to groundwater.	
	iii. Sea water	0	0	0	0		
	iv. Third-party water	479	135	650	175	51 production sites (+15 admin buildings and warehouses) discharge to city sewer.	
<b>303-4</b>	<b>Total Water Discharge</b>	<b>1,242</b>	<b>869</b>	<b>1,370</b>	<b>880</b>	64 production sites reporting or estimating discharge.	25 production sites in water stress area reporting or estimating discharge.
Water discharge by freshwater and other water	Fresh water	762	734	721	705	14 production sites, sum discharge to surface water and groundwater.	
	Other water	479	135	650	175	Discharge to city sewer (third-party water).	



GRI	Indicator in ML (Megaliters = 1 million liter)	Year 2016		Year 2022		Explanation	
		All areas	Water stress	All areas	Water stress	All areas	Areas with water stress
<b>GRI 303 Water and Effluents</b>							
Water discharge by level of treatment	No treatment	267		373		Discharge to city sewer (third-party water).	
	Primary physical-chemical treatment	66		9			
	Biological process	909		543		8 sites discharging to sewer (Thailand, Viadana, Pozzolengo, 2 in Russia, Vietnam, Malaysia and Pennsauken), 6 discharging to surface water.	
	Biological process and supporting fish life	0		445		China (2018), Andenne (2019), Lummen (2021), Mexico (2022) discharging to surface water and Iran (2020) discharging to groundwater.	
<b>Water consumption (303-5)</b>							
Water consumption	<b>Total water consumption</b>	<b>446</b>	<b>360</b>	<b>523</b>	<b>362</b>		
	Change in water storage if significant impact	not relevant	not relevant	not relevant	not relevant		
<b>Water Intensity</b>							
	<b>Water Withdrawal Intensity Index</b>	<b>100</b>		<b>87.69</b>		<p>Water withdrawal target and progress made as ML per standard unit of production which is then normalized using 2016 base year emissions. Puratos aim to achieve 75 Water Efficiency Index meaning improve the operational efficiency by 25% for the Puratos Group for the period 2016-2025. The achievement of this target is measured through water withdrawal coming the total water use excluding rain water or water reuse. To calculate the normalized year usage we took our internally standardized water usage (based on product mix and production requirements). This way it is ensured that efficiency will be truly improved in our own operations. Corporate results is the sum of individual result from each production site. 2016: reference year: Index is 100. 2022: Index is 87.69. When comparing 2016 and 2022, we observed a decrease of 12.21% of our water withdrawals intensity.</p>	
<b>Reduction of water withdrawal</b>							
	<b>Water Withdrawal Reduction</b>	<b>0</b>		<b>-57</b>		<p>Puratos aims to use less water per tonne produced. The reduction of water usage reported here is the direct result of our improved water efficiency compared to 2016, multiplied by our actual water usage. Whereas our total corporate water use has increased due to business growth, this figure shows how much we have saved compared to what we should have used, adjusted to our increased business activity. This water reduction is the result of several initiatives on each site. It is part of our reduction strategy based on 7 pillars: reuse water on site, good house keeping, process optimization, utility optimization, and water saving initiatives such as utility optimization and awareness behavior change.</p>	

Indicator in ML (Megaliters = 1 million liter) Water stress area	Year 2016			Year 2022		
	Water withdrawal		Consumptive water	Water withdrawal		Consumptive water
	Groundwater	Third-party water		Groundwater	Third-party water	
<b>GRI 303 Facilities water stress</b>						
BE Andenne	393	87	132	186	53	63
BE Belcolade	22	3	16	0	26	17
BE Groot-Bijgaarden	67	89	35	60	116	59
BE Lummen		111	39		156	35
BE Saint-Vith		37	14		53	21
BGR Pernik		3	1		11	9
BRA Guarulhos	64		29	58	28	33
BRA Phoenix		4	2		2	1
CHL Santiago		15	4		8	2
GRC Inofita		4	1		6	1
IND Pune	0	9	2		8	2
IRN Kordan		15	4	6	19	6
IRN Faraz	3			10		3
IRN Teheran		1	–		3	–
KOR Seoul		1	–		0	–
MAR Settat		18	4		16	4
MEX Tizayuca		75	19		145	36
ROU Bucharest	18		9	17		7
Russia Podolsk 1 & 2		86	28		114	32
ESP Sils	75		19	30	56	21
ESP Riudarenes		1	–		2	–
THA Bangkok		11	0		10	–
TUR Istanbul		12	3		21	7
US Rancho Dominguez		7	2		10	2
ZAF Chipkins					9	–
ZAF Branches					6	–
UAE Dubai					1	–
<b>Total</b>	<b>642</b>	<b>587</b>	<b>361</b>	<b>367</b>	<b>876</b>	<b>362</b>



GRI	Indicator in ML (Megaliters = 1 million liter)	Year 2016	Year 2020	Year 2021	Year 2022	Explanation
<b>GRI 306 Effluents and Waste</b>						
<b>Water discharge by quality and destination (306-1)</b>						
306-1-a-i-ii	i. Surface water	749	723	768	694	12 production sites discharge directly to surface water. In each case full wastewater treatment with primary and secondary treatment including biological treatment to discharge at less than 120 mg/l COD. We have several CAPEX project to build small fish pond to demonstrate our water discharge is safe for the fish to live. Fish pond in Mexico has been put in place in 2022. In case of China we have tertiary treatment and a fish pond to demonstrating our water discharge is safe for fish to live. The average water discharge is less than 50 mg/l COD. In Andenne Belgium our biggest wastewater treatment equivalent to 100000 eq habitant we have full treatment capacity and a fish pond demonstrating our water discharge is safe for fish to live. Since March 2021, we reuse the wastewater treated for low grade cleaning application and it allowed us to save approximately 16% of the site water withdrawn. In case of Mexico site, the CAPEX project to build a secondary and tertiary treatment to ensure our water discharge is safe for the environment has been executed in 2022. There is even a fishpond to prove that the water we discharge is safe for the fishes to live in. In a second phase we plan to reuse our water discharge for low grade application like cooling tower, cleaning activity or landscaping.
306-1-a-i-ii	ii. Groundwater	14	23	20	26	Both sites in Iran discharge directly to groundwater. Full wastewater treatment with primary and secondary treatment including aerobic and anaerobic reactor. The average discharge is less than 100 mg/l of COD.
306-1-a-i-iii	iii. Seawater	0	0	0	0	
306-1-a-i-iv	iv. Produced water	0	0	0	0	
306-1-a-i-iv	v. Third-party water	479	624	683	650	51 production sites (+15 admin buildings and warehouses) discharge to city sewer. In most case no wastewater treatment or only primary treatment. Exception for site in Russia and US Pennsauken where we have full secondary treatment with biological aerobic reactor.
<b>306-1-a</b>	<b>Water discharge to all destinations</b>	<b>1,242</b>	<b>1,371</b>	<b>1,471</b>	<b>1,370</b>	64 production sites reporting or estimating discharge.
<b>306-1-a-i</b>	<b>Water discharge to Freshwater category</b>	<b>762</b>	<b>747</b>	<b>787</b>	<b>721</b>	14 production sites, sum discharge to surface water and groundwater.
<b>306-1-a-i</b>	<b>Water discharge to Other water categories</b>	<b>479</b>	<b>624</b>	<b>683</b>	<b>650</b>	Discharge to city sewer (third-party water).

**Deloitte.**



**Puratos Group NV/SA**

Independent assurance report on selected environmental, social and governance performance indicators published in the Integrated Report of Puratos Group NV/SA for the year ending 31 December 2022



Puratos Group NV/SA | 31 December 2022

## Independent assurance report on selected environmental, social and governance performance indicators published in the Integrated Report of Puratos Group NV/SA for the year ended 31 December 2022

To the board of directors

We have been engaged to conduct a limited assurance engagement on selected environmental, social and governance performance indicators (“Selected Information”) published in the Integrated report of Puratos Group NV/SA (“the Company”) for the year ending 31 December 2022. In preparing the Selected Information, Puratos Group NV/SA applied the criteria as specified in the table below. The Selected Information needs to be read and understood together with the Applicable Criteria.

The Selected Information in scope of our engagement is included in below table:

Selected Information		Applicable Criteria
Impact category	Indicator in scope of assurance	
Health & Well-being	Fruits	The Applicable Criteria are set out in the notes in the part “Key performance indicators” p.88 in the Integrated Report
	Cereal & grains	
	Fat	
	Salt	
	Sugar	
Planet	Scope 1 GHG emissions	The Applicable Criteria are set out in the GRI Content Index p.86 in the Integrated Report.
	Scope 2 GHG emissions	
	Electricity	
	Natural gas	
	Diesel	
	LPG	
	Heavy fuel	
	District heating	
	Energy & CO2 efficiency	
	Water consumption	
	Scope 3 GHG emissions	
	Water supplied	
	Transmission & distribution loss	
Upstream transportation distribution		

Selected Information		Applicable Criteria
Impact category	Indicator in scope of assurance	
	Waste generated in operations	The Applicable Criteria are set out in the GRI Content Index p.86 in the Integrated Report.
	Business travel	
	Palm	
	Wheat	
	Sugar	
	Milk	
	Cocoa	
	Fruit	
	Corn	
	Colza	
People	Training days	The Applicable Criteria are set out in the notes in the part “Key performance indicators” p.88 in the Integrated Report
	Accidents (LTIR)	
	Headcount	
Leader in Innovation	Health & Well-Being products sold	
Communities	Student employment	
	Cacao Trace farmer	
Responsible sourcing	Cocoa sourced in a sustainable Way	
	Cocoa-Trace programme	
	Eggs	
	Fruit sourced Field to Fork	
Food safety & quality	GFSI acknowledged certification standards	

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the abovementioned Selected Information as included in the Integrated Report of Puratos Group NV/SA, has not been prepared, in all material respects, in accordance with the Applicable Criteria.



## Responsibility of the board of directors

The board of directors of Puratos Group NV/SA is responsible for the preparation of the Selected Information and the references made to it presented in the Annual Report as well as for the declaration that its reporting meets the requirements of Applicable Criteria.

The board of directors is also responsible for:

- Selecting and establishing the Applicable Criteria;
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria;
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error;
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services;
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

## Our responsibilities

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by Puratos Group NV/SA as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information of the Integrated Report and not all information included in the Integrated Report. The limited assurance on the Selected Information was only performed on the Selected Information covering the year ending 31 December 2022.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following key procedures:

- Obtaining an understanding of the Company's business, including internal controls relevant to collection of the Selected Information. This included inquiry with Puratos Group NV/SA's management responsible for operational performance in the areas responsible for the data underlying the Selected Information;
- Considering the risk of material misstatement of the Selected Information;
- Performing analytical procedures;
- Recalculation of relevant formula's used in manual calculations and assessment whether the data has been appropriately consolidated;

- Assessing management's assumptions and estimates;
- Examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of the Selected Information.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This includes the verification that there are no conflicts of interest with this assurance engagement.



Puratos Group NV/SA | 31 December 2022

### Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organizations and from year to year within an organization as methodologies develop.

### Use of our report

This report is made solely to the board of directors of Puratos Group NV/SA in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the board of directors those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and its board of directors, we acknowledge that the board of directors may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Puratos Group NV/SA and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Signed at Zaventem.

#### The auditor



**Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL**  
Represented by Sofian Milad

**Deloitte.**

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# GRI Content Index

GRI Standard Title	Location	Reasons for Omission	
<b>General Disclosure</b>			
<b>GRI 2: General disclosures 2021</b>			
2-1	Organizational details	Front Cover, About Us, Back Cover	
2-2	Entities included in the organization's sustainability reporting	About this Report	
2-3	Reporting period, frequency and contact point	About this Report	
2-4	Restatements of information	No restatements of information	
2-5	External assurance	Assurance Statement	
2-6	Activities, value chain, and other business relationships	Website, About Us, Highlights, Our commitment to ethical trade practices	
2-7	Employees	About Us, KPIs, People	
2-8	Workers who are not employees	KPIs, People	
2-9	Governance structure and composition	Our Governance Structure	
2-10	Nomination and selection of the highest governance body	Omitted	Confidentiality constraints
2-11	Chair of the highest governance body	Omitted	Confidentiality constraints
2-12	Role of the highest governance body in overseeing the management of impacts	Omitted	Confidentiality constraints
2-13	Delegation of responsibility for managing impacts	Omitted	Confidentiality constraints
2-14	Role of the highest governance body in sustainability reporting	Omitted	Confidentiality constraints
2-15	Conflicts of interest	Omitted	Confidentiality constraints
2-16	Communication of critical concerns	Omitted	Confidentiality constraints
2-17	Collective knowledge of the highest governance body	Omitted	Confidentiality constraints
2-18	Evaluation of the performance of the highest governance body	Omitted	Confidentiality constraints
2-19	Remuneration policies	Omitted	Confidentiality constraints
2-20	Process to determine remuneration	Omitted	Confidentiality constraints
2-21	Annual total compensation ratio	Omitted	Confidentiality constraints
2-22	Statement on sustainable development strategy	Letter from the Chairman and CEO	
2-23	Policy commitments	Environment, Corporate governance policy	
2-24	Policy commitments	Supporting our strategy with a top-down approach, Responsible Sourcing	
2-25	Processes to remediate negative impacts	Sustainability in our organisation, Responsible Sourcing, Corporate governance policy, Environment, Packaging, Carbon neutral and water-balanced environmental data summary, healthy, natural and nutritious products	
2-26	Mechanisms for seeking advice and raising concerns	Good governance	
2-27	Compliance with laws and regulations	Omitted	Confidentiality constraints
2-28	Membership associations	Responsible Sourcing, SDGs	
2-29	Approach to stakeholder engagement	People, Stakeholder Engagement	
2-30	Collective bargaining agreements	Human Rights	Due to confidentiality reasons we cannot disclose how many employees are part of a trade union.
<b>Material Topics</b>			
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	Materiality Summary, Materiality Assessment, Stakeholder Engagement	
3-2	List of material topics	Materiality Summary, Materiality Assessment, About this report	
3-3	Management of material topics	Materiality Summary, Materiality Assessment, Puratos and the SDGs	



## Specific disclosures – Highly material topics

GRI Standard Title	Location	Reasons for Omission
<b>Economic Standards</b>		
<b>GRI 204: Procurement practices (linked to material topic “transparent and responsible sourcing”)</b>		
204-1	204-1 Proportion of spending on local suppliers	Omitted
	Own indicator: % of eggs originating from an alternative to breeding cages <sup>1</sup>	Responsible Sourcing
<b>GRI 205: Anti-corruption (linked to material topic “responsible and ethical business conduct”)</b>		
205-1	Operations assessed for risks related to corruption	Omitted
205-2	Communication and training about anti-corruption policies and procedures	People
	Own indicator: % of cocoa sourced in a sustainable way and % thereof sourced through Puratos' Cacao-Trace Program <sup>2</sup>	Responsible Sourcing, KPIs
	Own indicator: % of employees that followed training on ethical behaviour and cyber security <sup>3</sup>	People
205-3	Confirmed incidents of corruption and actions taken	Omitted
<b>Environmental Standards</b>		
<b>GRI 301: Materials (linked to material topic “sustainable and circular packaging”)</b>		
301-1	Materials used by weight or volume	Omitted
301-2	Recycled input materials used	Environment, Packaging
301-3	Reclaimed products and their packaging materials	Omitted
	Own indicator: Register our packaging spend (T of packaging purchased that is recyclable, reusable, non-recyclable or non-reusable) <sup>4</sup>	Packaging
<b>GRI 302: Energy (linked to material topic “greenhouse gas emissions”)</b>		
302-1	Energy consumption within the organization	Environmental Data Summary
302-2	Energy consumption outside of the organization	Omitted
302-3	Energy intensity	Environmental Data Summary
302-4	Reduction of energy consumption	Environmental Data Summary
302-5	Reductions in energy requirements of products and services	Omitted
<b>GRI 303: Water and effluents (linked to material topic “water stewardship”)</b>		
303-3	Water withdrawal	Environmental Data Summary
303-4	Water discharge	Environmental Data Summary
303-5	Water consumption	Environmental Data Summary
<b>GRI 305: Emissions (linked to material topic “greenhouse gas emissions”)</b>		
305-1	Direct (Scope 1) GHG emissions	Environmental Data Summary
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data Summary
305-3	Other indirect (Scope 3) GHG emissions	Environmental Data Summary
305-4	GHG emissions intensity	Environmental Data Summary
305-5	Reduction of GHG emissions	Environmental Data Summary
305-6	Emissions of ozone-depleting substances (ODS)	Omitted
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Omitted
<b>GRI 306: Waste</b>		
306-1	Waste generation and significant waste-related impacts	Environment, Waste generated in operations, Food waste
306-2	Management of significant waste-related impacts	Environment, Waste generated in operations, Food waste
306-3	Waste generated	Omitted
306-4	Waste diverted from disposal	Omitted
306-5	Waste directed to disposal	Omitted

1. The data on purchased eggs quantity and type of egg is retracted from SAP. Based on the egg description (barn, free range or organic), she can separate the total of cage free eggs from the other types. It is a material category indicated in SAP. To get the %, the total volume of eggs purchased is divided by the amount of cage free eggs.
2. Success factors is being used for all online trainings. Trainings are directly assigned to employees that have access to Success factors. Employees who are no longer active within the company, are not taken into the calculation. Reporting is done a monthly basis via a PowerBI dashboard.
3. The % is calculated based on the purchased quantity of sustainable sourced cocoa against the total quantity of cocoa (sustainable and non-sustainable) purchased. Every purchased commodity is logged in SAP, the system from which the data is extracted. The cocoa related items are selected and the sustainable sourced cocoa has a specific code (UTZ, FT, RFA, Cacao Trace, so it can be distinguished from regular cocoa. Manual adaptation is needed for UTZ and the data coming from Vietnam since this entity is in a transition period to be fully present on SAP. The cocoa coming from the Cacao trace Program is flagged by the code CCT. The total quantity of purchased cocoa with the CCT code is divided by the overall ton of purchased cocoa (sustainable and non-sustainable).
4. Puratos currently does not disclose this information but aims to collect and disclose it from 2023 onwards.

## Key performance indicators

Puratos's key performance indicators (KPIs) provide a focus for measuring and reporting Creating Shared Value (CSV), sustainability and compliance.

Commitments	Our long-term objectives	2017	2018	2019	2020	2021	2022
Health & Well-being	<b>Health performance</b>						
	Tons of fat removed from our products <sup>(1)</sup>	4,862t	7,187t	7,238t	7,172t	9,264t	12,503t
	Tons of salt removed from our products <sup>(2)</sup>	301t	265t	223t	104t	110t	126t
	Tons of sugar removed from our products <sup>(3)</sup>	379t	679t	769t	681t	1,236t	1,456t
	<b>Well-being performance</b>						
	Tons of fruits processed into our fruit fillings (year on year growth since 2016)	+9%	+15%	+4%	+2%	+7%	+5%
	Tons of grains and seeds used in our product solutions (year on year growth since 2016)	0%	+12%	-1%	+8%	+8%	+8%
	<b>H&amp;WB products sold</b>						
	% of H&WB products sold vs total products sold				23.1%	27.3%	30%
	<b>Food safety performance</b>						
Percentage of Puratos facilities certified according to one of the GFSI standards	87%	89%	94%	96.5%	97.5%	99.6% <sup>(4)</sup>	
Responsible Sourcing	<b>Cocoa performance</b>						
	% of cocoa purchased in a sustainable way	19%	26.3%	26.6%	26.6%	36%	44%
	% of cocoa purchased through our audited cacao-trace program	–	10.5%	9.1%	9.8%	15%	15%
	% of fruit sourced compliant with Field to Fork strategy <sup>(5)</sup>	–	–	–	–	–	5%
	# of trees planted in our direct Cacao-Trace supply chain	–	–	40,000	90,000	270,000	215,000
% of cage-free eggs sourced	–	–	–	–	22%	31%	
Environment	<b>Energy performance</b>						
	CO <sub>2</sub> reduction				24%	30%	35%
	Renewable energy sourced				67%	79%	90%
	m <sup>2</sup> solar panels				25,000	36,000	57,000
	Total emission (tCO <sub>2</sub> e)	111,635	103,922	101,013	89,057	94,308	119,560
	GHG Scope 1 (tCO <sub>2</sub> e)	68,287	73,809	75,935	72,848	79,399	76,322
	GHG Scope 2 (tCO <sub>2</sub> e)	43,348	30,112	25,078	16,210	14,761	43,238
	Renewable energy used (MWh)	136	116	295	1,278	3,044	6,665
	Imported green electricity (MWh)	0	78,102	99,446	103,370	127,485	142,240
	<b>Water performance</b>						
Water withdrawal (ML)	1,770	1,806	1,808	1,793	1,979	1,894	
Total water consumption (ML)	475	451	429	439	509	523	
Heritage	<b>Sourdough performance</b>						
	Storage of sourdoughs in physical library	103	115	125	131	136	139
	Storage of sourdoughs in virtual library	1,094	1,441	1,700	1,900	2,500	2,700

(1) The total fat reduction volume (in tons) is reported by applying a ratio corresponding to the total sales volumes of two products (Puraslim and Cremfil). The calculation method for the ratio of Puraslim was adjusted (due to the increase of sales of this product). The amount of fat reduction also depends on the way Puraslim is added (as a powder or in a mixture) and the dosage. The annual figure of sold product for those 2 products are retrieved from the SAP system. The corresponding ratio for Cremfil and for Puraslim is then applied.

(2) The total mass of salt removed from production is reported based on the use of salt improvers. The total sales volumes are computed and a ratio of salt reduction is applied. Salt improvers saving ratio has been set up and approved by R&D (25% is a minimum requirement to be labelled as salt reducing). Each 'salt reduced' item is flagged in SAP by the local product manager. Annual sales volumes of salt improvers is retrieved from Power BI and the ratio of 25% is applied to compute the total salt removed from production.

(3) The total mass of sugar removed from production is reported based on the products flagged as 'sugar reduced'. The KPI is computed by applying a ratio of sugar reduction to the total sales volumes of those products. The sugar ratio has been set up and approved by R&D. Every product with a sugar reduced claim has been flagged in SAP by the local product manager. The annual sales volume of sugar reduced products is retrieved from Power BI and the ratio of 31,33% is applied to compute the total sugar removed from production.

(4) KPI is calculated using N-1 production volumes.

(5) Field to Fork: 5% of our total volume of fruit is purchased by engaging with our local farmers from which we buy directly. By performing site visits, we know the exact origin of the fruit and can make sure that it is compliant with our internal field to fork policy.

GRI 2-7

GRI 2-8



Commitments	Our long-term objectives	2017	2018	2019	2020	2021	2022
People	<b>Human capital development*</b>						
	Total headcount	8,511	9,011	9,370	9,318	9,535	10,062
	Female permanent employees				2,482	2,534	2,708
	Female temporary employees				158	166	184
	Male permanent employees				6,360	6,421	6,737
	Male temporary employees				318	411	432
	APMEA permanent employees				2,238.8	2,299.0	2,413.6
	APMEA temporary employees				216	234	273
	BeOps permanent employees				820	826	849.5
	BeOps temporary employees				28	38	34
	HQ permanent employees				488.5	488.0	513.9
	HQ temporary employees				11	11	10
	Cocoa permanent employees				78.5	81	77.9
	Cocoa temporary employees				15	21	22
	F&F permanent employees				2	3	3
	F&F temporary employees				0	0	0
	N&EEU permanent employees				1,793	1,811	1,892.4
	N&EEU temporary employees				71	83	107
	NAM permanent employees				1,300.7	1,314	1,330.7
	NAM temporary employees				13	49	50
	SAM permanent employees				926.5	949.0	1,109
	SAM temporary employees				97	89	88
	SEU permanent employees				1,194	1,187	1,255
	SEU temporary employees				25	52	33
	Global courses				190	268	385
	Active learners				4,218	6,160	7,247
	Learning hours				35,388	28,027	47,212
% of female employees received regular performance and career development reviews		100%	100%	100%	100%	100%	100%
% of male employees received regular performance and career development reviews		100%	100%	100%	100%	100%	100%
* Our HR Market setup is the same as the one used for finance reporting: APMEA (Asia Pacific, Middle-East & Africa), BeOps (Belgian Operations present of the 5 Belgian sites), HQ (supporting functions in Groot-Bijgaarden), Cocoa (entities with chocolate activities including Vietnam Ben-Tre, Plantación Tikul and Eco Museo), F&F (entity of Belfeed), N&EEU (Northern and Eastern Europe), NAM (North-America), SAM (South-America) and SEU (Southern Europe).							
	<b>Health and Safety</b>						
	The number and rate of fatalities as a result of work-related injuries	0	0	0	0	0	0
		0	0	0	0	0	0
	The number and rate of high-consequence work-related injuries (excluding fatalities)	87	88	71	79	99	63
		1.09	0.96	0.75	0.84	1.08	0.58 <sup>(6)</sup>
	The number and rate of recordable work-related injuries	–	200	199	184	128	176
		2.17	2.11	1.96	1.38	1.53	
The number of hours worked	15,925,550	18,412,824	18,854,779	18,769,820	18,580,125	19,766,624	
Communities	<b>Bakery Schools</b>						
	Students graduated	38	57	100	151	200	58
	<b>Next Generation Cacao</b>						
Chocolate bonus distributed	€177,638	€288,000	€382,496	€423,178	€1,007,809	€2,021,572	

(6) The formula to calculate the LTIR (Lost Time Injury Rate) is as follows:  $LTIR = (\text{Number of lost time cases} \times 200,000) / \text{total number of hours worked by employees}$ . The figure 200,000 is a standard number to measure incident rates so companies of varying sizes can be compared fairly. This figure was determined by multiplying 100 employees by 40 hours (a standard work week) by 50 weeks (assuming each employee takes two weeks of vacation)