

ANNUAL REPORT 2020

OUR  
COMMITMENTS  
TO YOU AND  
TO FUTURE  
GENERATIONS

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# LETTER FROM THE CHAIRMAN AND CEO

2020 will forever remain the year of the Covid-19 pandemic and the impact it had on our economy and our social landscape. It was a year of unpredictability and anxiety about the future, but it also made us realize what we take for granted and it gave us the opportunity to rethink ways of working together, adapting concepts and finding new ways of social interaction.

Although continuing to deliver financial results and being able to support our customers and stimulating the economy, our commitments to you and the next generation remained high on our agenda. During this difficult year we always kept an eye on the well-being of those who work with us and for us, being it our employees, our cocoa farmers, our customers, or people within our communities. As we move towards the “new normal” it becomes clear that now, more than ever, is the time for more responsibility towards our planet and our people.

“Our commitments to you and to future generations” are getting more and more integrated in the way we do things at Puratos. Our social and environmental responsibilities are embedded into our entire value chain, going from the sourcing of raw materials up to the use of our products by consumers. We feel that as a responsible food company it is important to deliver a life changing social contribution in all locations in which we operate.

During this continuous journey, we come across numerous challenges. That is why we encourage all initiatives and actions which help us to become a more sustainable company so these challenges can be transformed into opportunities. Consumers are getting more and more conscious of where and how their food is sourced and it is our responsibility to ensure the procurement of sustainable products, whilst taking the planet into account and ensuring that workers across our entire supply chain are safely and legally employed.

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

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



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

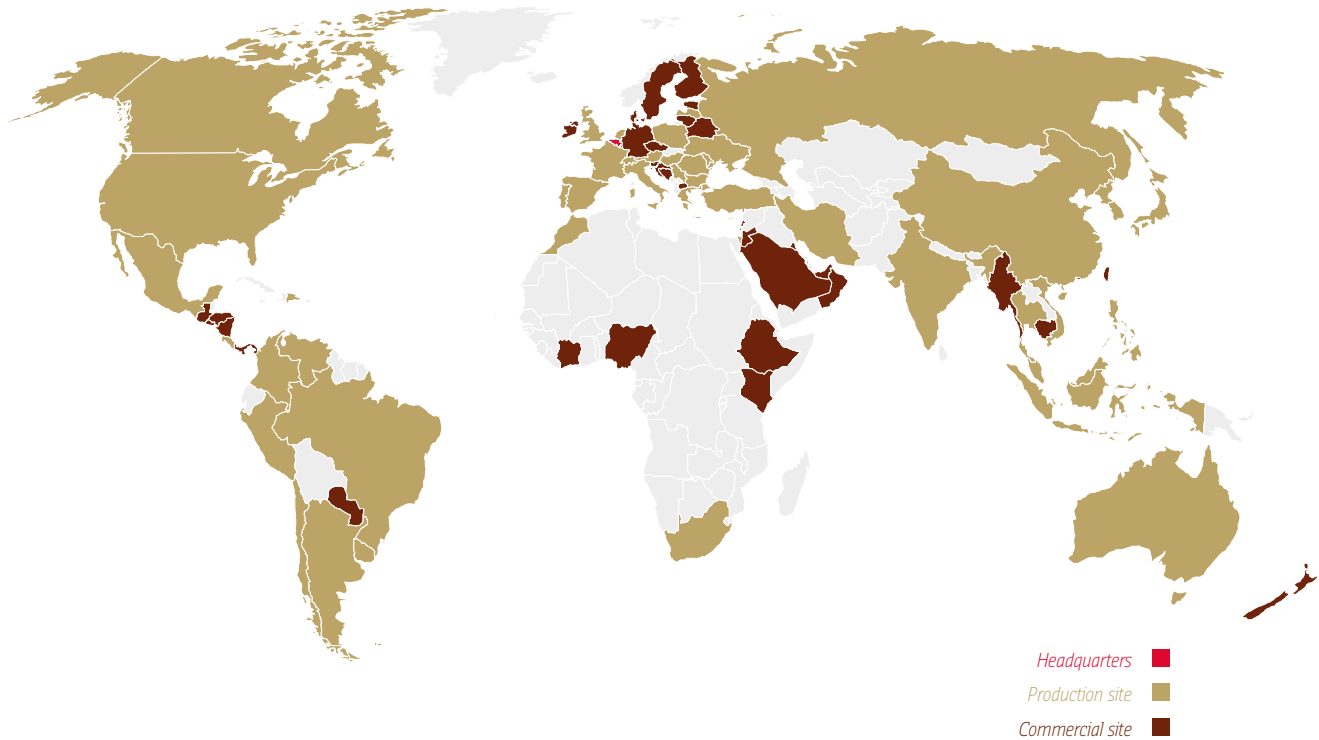


**Daniel Malcorps**  
CEO  
Puratos Group

GRI 102-3

GRI 102-4

# ABOUT PURATOS



## Our Vision

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

## Our Mission

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

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

## Our Values

Courage

Ethics

Passion

Quality

Team Spirit

Vision

GRI 102-7

Puratos in a nutshell



COMPANY  
FOUNDED IN  
**1919**



**2,44%**  
OF REVENUE  
INVESTED  
IN R&D



**1.072**  
R&D RESEARCHERS  
& TECHNICAL  
ADVISORS



SUBSIDIARIES IN  
**81** COUNTRIES

**65** PRODUCTION  
UNITS IN  
**52** COUNTRIES



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



**93** INNOVATION CENTERS  
IN THE WORLD



Key financial and CSR figures in 2020

GRI 102-7

**NET SALES**  
**1.782M €**



**NET DEBT**  
**184M €**

**EBITDA**  
**157M €**

**10.8M €** WAS  
INVESTED IN DIFFERENT



**SUSTAINABILITY  
PROJECTS**



**BAKERY SCHOOL  
FOUNDATION**

**321.802 €**  
WAS DONATED  
TO THE  
**BAKERY SCHOOLS**

**67%**  
OF OUR ELECTRICITY USED



**COMES FROM  
RENEWABLE SOURCES**



A CHOCOLATE BONUS OF  
**453.675 €**  
WAS DISTRIBUTED  
AMONG FARMERS

# PURATOS' SUSTAINABILITY APPROACH

## Our Sustainability Strategy

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

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



Source: Twitter account: UN Sustainable Development

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

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

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

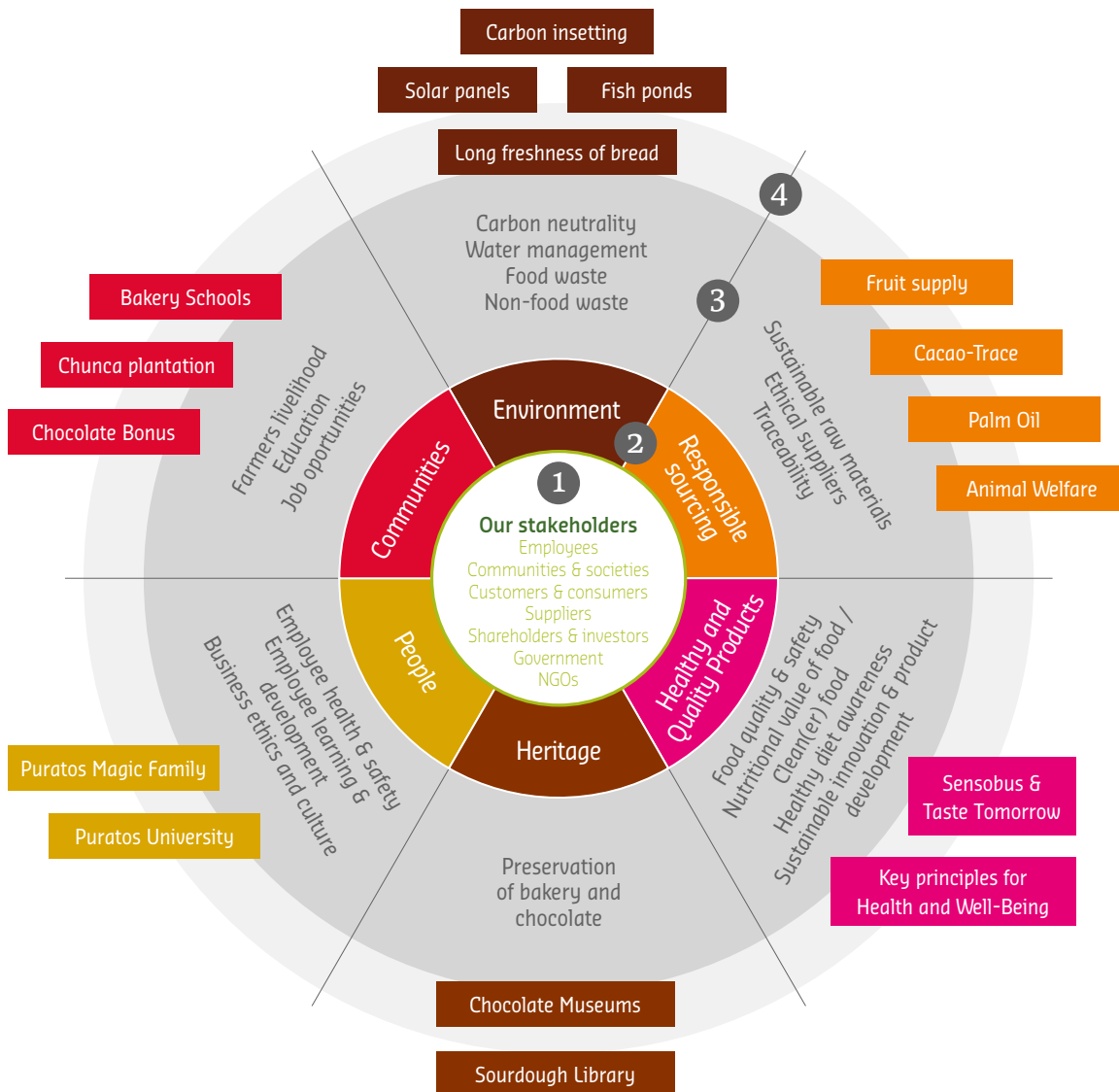
**Peace:** With our positive view on society and values such as ethics and courage, we want to create a meaningful difference;

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



Based on these principles, Puratos decided to work on the following commitments: Health & Quality Products, Responsible Sourcing, Environment, Heritage, People and Communities. Below you can find our sustainability framework, which outlines these six pillars as well as the following elements:

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



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

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

To implement this ambitious strategy, we involve our suppliers. In 2020, we updated our supplier code of conduct, an ethical guideline for all our suppliers. We also involve our employees by creating awareness and giving sustainable tips that they can also apply in their daily lives.

### Sustainability in our organisation

Sustainability starts at the top of our organization. Our sustainability strategy, vision and objectives are defined at the level of the whole Puratos Group, under the leadership of our Board of Directors and Group Executive Committee. A sustainability committee was established, and they report directly to the Group Finance Director and the Regional Director North America. All members of the committee are related to one of the commitments and have the necessary experience within that field. The committee comes together 6 times a year to discuss different topics, to update our materiality assessment and perform risk assessments.

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



## Puratos and the Sustainable Development Goals

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

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

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



## Some examples:



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



- By involving consumers and convincing them to pay a fair price for a better product, we share this advantage with our communities of **Cacao-Trace** farmers by paying a quality premium as well as a totally unique Chocolate Bonus: for every kilo of chocolate purchased, €0.10 is paid directly to the farmers with whom we work.
- By offering training to our cocoa farmers, they are able to increase their yield, and as a result, also their revenue.
- By storing 131 sourdoughs of 23 countries, we contribute to the preservation of bread culture.



- By offering our employees and their families a medical assurance, we help them to have access to quality and essential healthcare services.
- With our Cacao-Trace program, we ensure that the information on authorized agrochemical products is communicated to our cocoa farmers and there is no use of prohibited pesticides during cocoa cultivation activity, and that we train our cocoa farmers on the handling, the mixing, the storage and the disposal of agrochemicals.



- With Puratos University (founded in 2006), Puratos provides training courses to its employees on products (baking, pastry making, chocolate), functional capacities and leadership skills.
- By offering technical training, locally and globally, in one of our 93 Innovation Centres, we provide expertise as well as in-depth research into international trends to our customers.
- By educating and training our cocoa farmers on fermentation techniques, they can provide better quality cocoa which they can sell at a higher price.
- Thanks to our Bakery Schools in India, Brazil, Mexico, South Africa and Romania, our students enjoy quality education that leads to job opportunities.
- By collaborating with the local communities that are part of our Cacao Trace program, new schools and infrastructure are build thanks to the Chocolate Bonus distribution.



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



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



- By paying all employees at Puratos (regardless of their age, nationality, or gender) fairly and competitively, we contribute to a decent work environment.
- By offering job security to all students that graduate from our Bakery Schools, 129 students graduated and were employed by Puratos or one of our clients.
- By asking our suppliers to sign our Code of Conduct, we want to ensure the same levels of ethical requirements are maintained throughout our supply and production chains, and to eradicate any form of forced labour.
- During the Covid-19 pandemic, Puratos made sure that all employees kept 100% of their monthly wage, even in times of temporary unemployment.



- The implementation of a Master Plan Utilities will make the production site of Erembodegem more sustainable with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. It will allow the current production site as well as the future extension to become neutral.
- Carbon cost to earning (based on constant carbon cost at 35€/tCO<sub>2</sub>e) represented 5,8% in 2020.



- By informing our clients on the composition of our products, they can make healthy food choices.
- By sourcing palm oil, cocoa, eggs, and fruit in a sustainable way we contribute to an efficient use of our natural resources.
- By training our cocoa farmers on fermentation techniques, we help them to decrease their post-harvest losses.
- By putting in place a waste management programme, we aim to prevent, reduce, reuse, and recycle our waste.



- By organizing webinars for our employees worldwide, we improve education and awareness-raising on climate change mitigation, adaptation, impact reduction and early warning.



- By compensating our CO<sub>2</sub> emissions through a "Carbon insetting program" within our own cocoa supply chain, we intend to further decrease our carbon footprint.
- By supporting the Rimba Raya project in Borneo, we will halt deforestation, restore degraded forests, and halt the loss of biodiversity.



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

01

HEALTHY AND  
QUALITY PRODUCTS

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

## Health & Well-Being

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

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

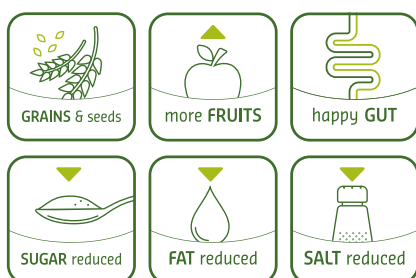
### Our long-term objectives:

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

### Key performance indicators 2020:

- In 2020, we processed 15.673 tons of fruit into our fruit fillings. This is the equivalent of the harvest of more than 300.000 fruit trees<sup>1</sup>. This results in a year-on-year growth of 7% since 2016.
- We used 29.062 tons of cereals and grains in our product solutions, which is the equivalent of the cereal harvest of 5.422 hectares of land<sup>2</sup>. This results in a year-on-year growth of 8% since 2016.
- Our innovations enabled to reduce 681 tons of sugar in baked goods, the equivalent of over 4 million sugar dispensers<sup>3</sup>, resulting in a year-on-year growth of 24 % since 2016.
- 7.172 tons of fat was removed thanks to our innovations. This is the equivalent of 8.244.016 bottles of oil<sup>4</sup>, a year-on-year decrease of 23 % since 2016.
- Last year, we removed 104 tons of salt, a year-on-year decrease of 28 % since 2016. This is the equivalent of over 900.000 salt shakers<sup>5</sup>.

### Health (science based)



### Well-Being (consumer perception)



1 - based on the average harvest of an apple tree: 500 apples of 100 grams each,  
2 - 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),  
3 - based on the content of a standard sugar dispenser with a 20cl content,  
4 - based on 1l oil bottles,  
5 - based on the content of a standard salt shaker with a 10cl content

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

## Our approach

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

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

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

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

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

## The Health Focus

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

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



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

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

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

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

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

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

**Sugar Guidelines:** Puratos helps to lower sugar consumption through its complete range of sugar reduced patisserie & chocolate products. Additionally, we rework existing recipes with the aim to reduce sugar content. Any sugar removal, reduction and/or replacement action should not compromise neither products taste, nor texture. Whenever possible, sugar reduction/removal must not be compensated by the increase or the addition of ingredients that lower the overall quality of our products such as polyols or fats.

## The Well-Being Focus

*Material topic: clean(er) food*

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

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

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

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

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

GRI 103-1

GRI 103-2

GRI 103-3

GRI 416-2

## Food Safety and Quality

Material topic: food safety and quality

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

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

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

Our long-term objectives:

- By the end of 2022, 100% of Puratos facilities will be certified according to one of the GFSI standards.
- By 2021, the top 10 countries should have acquired the Golden Unicorn.
- By 2024, the top 20 countries should have acquired the Golden Unicorn.
- By 2027, 50% of all countries should have acquired the Golden Unicorn.

Our performance 2020:

- 96,5% of Puratos products are produced by Puratos facilities which have been certified by one the GFSI acknowledged certification standards (BRC, IFS, SQF, FSSC22000).
- 15 subsidiaries received the Golden Unicorn standard.

## Impact Covid-19

The objective was to reach 100% of Puratos facilities certified according to one of the GFSI standards by 2020. We were not able to achieve this goal due to the global pandemic. Foreseen audits were cancelled and could not take place remotely. Puratos Venezuela and Puratos Uruguay are not taken into this scope due to no demand by local market and instable political and economic situations.

## Our internal approach

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

Puratos has an internal quality and food safety standard called, the Golden Unicorn which is our own quality certification. The conditions to obtain the Golden Unicorn are more severe than other existing certifications. This program contains requirements related to Hazard Analysis & Critical Control Points, pre-requisite programs and quality management systems. Puratos plants are assessed by the Golden Unicorn standard according to a group planning. Additionally, our Internal audit department systematically performs audits including quality requirements.

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

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

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

When we are informed about possible quality and food safety issues related to one of Puratos' branded products, our crisis management procedure, which is a group rule, is started. In 2020 we have identified some situations related with food safety compliance and voluntary product recalls were conducted:

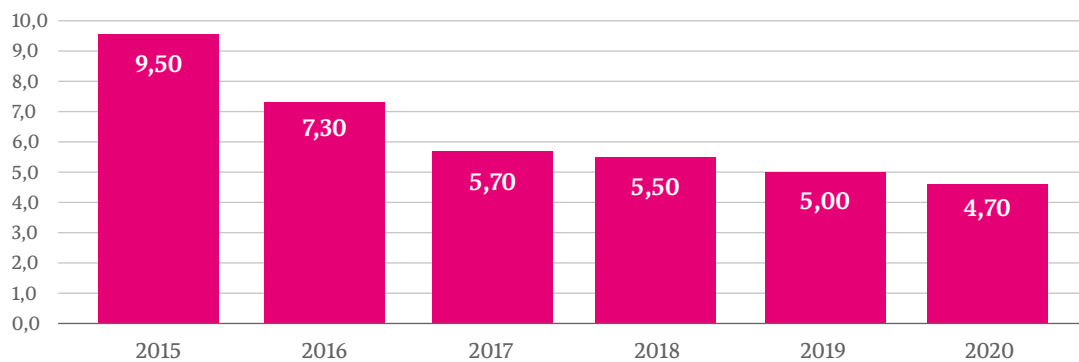
- In January 2020 we were impacted via a request of recall via FAVV due Cadmium presence above legal limit on Belcolade chocolate shipped to several countries in EU and outside EU. After investigation we have discovered that the external controlling lab had by mistake switched two tested samples. Therefore, recall did not take place and RASFF alert was removed.

## HEALTHY AND QUALITY PRODUCTS

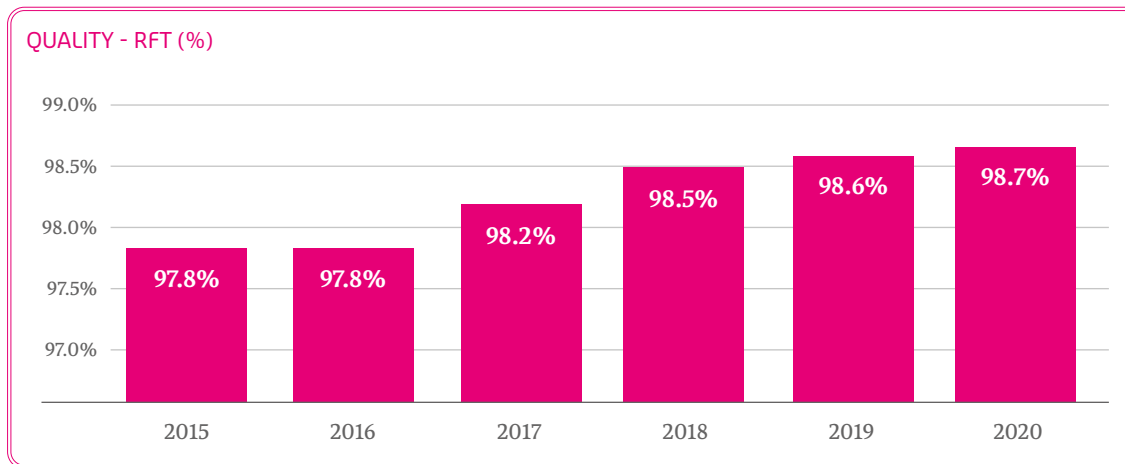
- In August 2020 due to a breakage on a production line, we had to inform customers of the risk of having ceramic pieces in one of paste improvers. Most concerned product was stopped before reaching customers and consumers and a limited quantity was returned from customers
- In September 2020 we had an incident due to potential cross contamination of an allergen in a premix, and we were also affected by the sesame seeds crisis due to presence of Ethylene Oxide in some of the sesame grains sourced by our suppliers from India. This was a food safety crisis that has affected the whole sector across Europe as 80% of sesame seeds are sourced in India. Luckily we managed to block the concerned stock we still had in house and we have been able to implement a long and short term plan including different actions to minimize the risk of ethylene oxide such as removal of sesame seeds from our formulas when possible, replacement by other type of seeds, switch Indian origin to other origins such as American or African.

In spite of the incidents detailed above, we have been consistently improving our performance in customer complaints per 1000 tons delivered, reaching a value of 4,7 complaints per 1000 tons produced in 2020

QUALITY - CUSTOMER COMPLAINTS - EXTERNAL COMPLAINTS / 1000 TON DELIVERED



We have been also consistently improving our second key performance indicator, right first time (RFT). This % shows the number of tons produced right in specification from the first time vs the total volume produced.



Additionally, in order to improve the way we define our product process specifications, we have been working together with R&D in order 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

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

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

GRI 103-1

GRI 103-2

GRI 103-3

## Leader in Innovation

Material topic: Sustainable Innovation and Product Development

Puratos' goal is to be a reliable partner in innovation and in sustainability. Whatever our customers need, Puratos approaches the challenge with high levels of efficiency and experience. Whether it is about cleaner label solutions, develop new products and concepts, or aiming to improve the taste, texture, shelf life or nutritional value of existing products, our dedicated Business Development teams are always at our customers' service.

As reliable partners in innovation, we offer access to a network of more than 1.045 researchers, food technicians and technical advisors, in more than 93 innovation centres around the world who worked towards over 30 patented product families. To fuel the engine that drives innovation, we also invest 2,44% of our turnover in R&D.

### Our long-term objectives:

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

### Our performance in 2020:

- H&W products represented 23,12% of total volume sold.

## Our approach

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

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

Innovation helps the Group to achieve its strategy:

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

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

## MISSION TO MARS & SPACEBAKERY PROJECT

*No one can ignore our planet faces various growing problematics: Climate change, intensive food production, harmful emissions – to name just a few. With our Spacebakery project, we want to investigate how more sustainable and environmentally friendly bread can be baked on Earth.*

*This is why Puratos took on the ambitious “Mission to Mars” journey, in which we imagine future colonists on Mars having access to healthy, nutritious bakery products. It involves setting up a cutting-edge research programme and FoodTech Centre, PuraDome, using the harshest conditions of planet Mars as our extraordinary inspiration to develop more sustainable and environmentally friendly products (e.g. less water use, less fertiliser).*

*We believe that our discoveries during this experiment will lead to amazing, innovative applications and help us to continue to provide healthy, nutritious, and tasty foods for life on earth in the future. Through disruptive science and new technologies, we will help our customers to grow their business in a more sustainable way, by having an overall positive impact on the entire production chain of bread, cake, and chocolate.*

### **Cutting-edge & disruptive research programme showcased in the PuraDome**

To bring together various knowledge domains and expertise, the SpaceBakery Consortium was created with several partners. It has a total funding of over 6.3 million euros, including a subsidy of 4.5 million euros from the Flemish government. The Consortium is investigating how to further improve the environmental footprint of growing wheat and the efficient use of energy to produce bread today – and tomorrow in more challenging environments – while never compromising on nutritional, healthy and tasty foods.

The environment of Mars, our inspiration, is very different from ours. No oxygen, high concentrations of carbon dioxide, an average daily temperature of  $-60^{\circ}\text{C}$ , and dust storms are not the right conditions to grow crops or bake bread. So, we are investigating how to efficiently cultivate grains in hermetically closed and fully controlled environments. In practice, our research is taking place in four coupled containers, located in the PuraDome, in which the climate can be adapted to make it suitable for crop growth, with optimal use of resources.

### **Bringing Benefits to Earth**

Each experiment has great potential for Planet Earth:

- **Grow wheat with less water (-95%)**  
With less rain and more drought, the usage of water is under pressure. With our hermetically closed system and vertical agriculture, we believe we will be able to grow wheat with 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.
- **Lower use of nitrogen and fertilizers (10X more efficient)**  
Today, farmers apply nutrients on their fields in the form of fertilizers, which provide crops with the nitrogen and phosphorus they need. However, when nitrogen and phosphorus are not fully utilized by the growing plants, they can negatively impact the soil and water quality. We believe we can be 10 times more efficient and lower in an important way the use of nitrogen and other fertilizers.



- **Faster harvest times and higher yields**

In the SpaceBakery we will be able to investigate and optimize the growing conditions of plants. This could lead to a faster harvest, higher yield, and a more qualitative crop with more efficient use of nutrients and no losses due to insects or plant pathogens.

- **Test 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.

- **Pollination via nano drones**

Wheat reproduces itself 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 colours and find the pollen in the flowering crops. Therefore, we will investigate the usage of nano drones for pollination. We sure hope bees will never become extinct as this might mean the end of humanity, but maybe nano drone technology could help our bees in the future.

- **Optimize energy use**

To use energy in the most efficient way possible, we will investigate the potential of baking bread through microwave technology and ohmic heating. We will explore how to re-use the by-products we create like straw, chaff, and the bran, to eliminate waste and contribute to a circular economy with a continual use of resources.

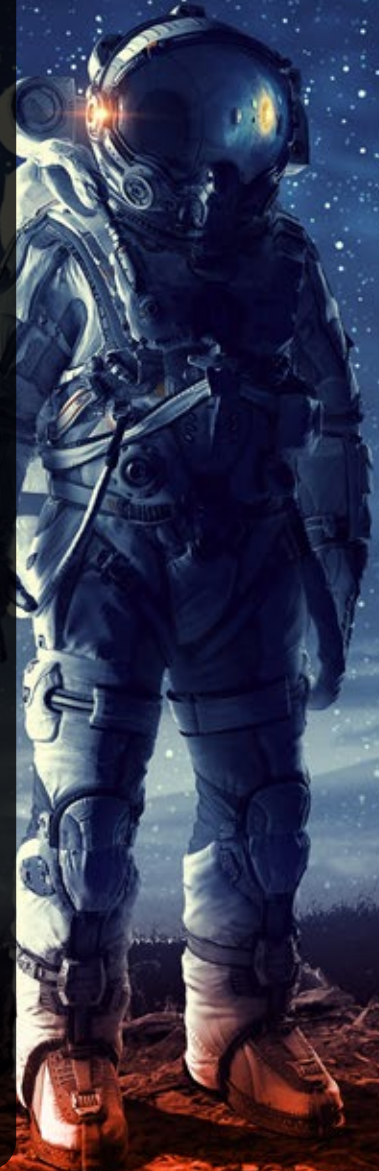
**Never compromise on nutrition, health and taste.**

As an alternative to baker's yeast we will use sourdough, a natural fermentation technology, to improve the bioavailability of nutrients, the digestibility, and the sensorial perception of whole wheat bread applications. Developing a robust sourdough that allows the production of tasty and nutritious products will enable artisan and industrial bakers around the globe to use this technology in the diverse environments of their bakeries.

We will search for crops that can complement wheat-based products to balance the nutritional content and protein profile to create applications in line with our daily needs regarding proteins, carbohydrates, fats, minerals and vitamins.

**Helping our customers grow their business sustainably**

Our ambition is to look for ways to bring new solutions to customers and lever new technologies to act in the bread-making chain, both upstream and downstream. We strongly believe that this project will help us reduce the global warming potential of breadmaking by 30% This will have an immediate positive impact on the environmental footprint of our customers and end consumers. This way, Puratos as a reliable partner in innovation, will be contributing to make our customer's business model more sustainable and more profitable.



# 02

## RESPONSIBLE SOURCING

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

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

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

#### Our long-term objectives:

- Favour raw materials, packaging, equipment, and services that are environmentally friendly, benefit society, and give value for money over their lifecycle.
- Favour suppliers who share our vision of sustainability and who work towards maintaining a more sustainable supply chain.
- As from 2024, all palm oil purchased by the Puratos Group will be RSPO certified under the supply chain model RSPO Mass Balance, if not Segregated in Europe, the United States and Canada.
- As from 2025, all palm oil purchased by the Puratos Group will be RSPO certified under the supply chain model RSPO Mass Balance, if not Segregated in the rest of the world.
- By 2025, all chocolate produced and sold by Belcolade will be sustainable (in accordance with Beyond Chocolate).
- By 2030, cocoa growers will earn a living income (in accordance with Beyond Chocolate).
- By 2030, deforestation due to cocoa growing for the Belgian chocolate sector has ended (in accordance with Beyond Chocolate).
- By 2030, Puratos will have planted 3.440.000 trees in its direct Cacao-Trace cocoa supply chain to promote climate-smart farming technique, provide additional income and sequester carbon.
- By 2025, 100% of the eggs and egg products used by Puratos Group will come from alternative breeding to cages, wherever we are present.

**Key performance indicators 2020:**

- Although the total purchased volume of cocoa decreased by 17%, the share of sustainable cocoa increased from 26,64% in 2019 to 26,67% of which 9,89% was through our audited Cacao-Trace™ programme (vs. 9,17% in 2019)
- In 2020, we reached our target of 100% sustainable palm oil by increased buying of certified sustainable palm oil under the supply chain models Mass Balance and Segregated. RSPO credits from the book & claim supply chain model compensated for the volumes of non-certified palm oil products used in Puratos' Group production sites in order to support the production of RSPO certified palm oil

**Our commitment to ethical trade practices**

Material topic: ethical suppliers

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

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

**Supplier Code of Conduct**

Puratos and its suppliers commit in particular to:

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

GRI 102-13

**Sustainable partnerships and certification schemes**

**SEDEX**

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



**Ecovadis**

Ecovadis is specialized in supply chain sustainability assessments and rates business in four areas of Corporate Social Responsibility: environment, employment conditions and human rights, business ethics and sustainable procurement. In 2020, Puratos NV Belgium was rewarded again a bronze Ecovadis rating but compared to previous assessment, we improved 8 points.

### Beyond Chocolate

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



### Cocoa Forest Initiative

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

### World Cocoa Foundation

Youri Dumont, Business Unit Director Cocoa and Chocolate, is member of the board of directors of the World Cocoa Foundation (WCF), an international membership organization that promotes 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 include cocoa and chocolate manufacturers, processors, supply chain managers, and other companies worldwide, representing more than 80% of the global cocoa market.



### Fedima

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

### Fevia

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



GRI 102-12

## Our commitment to sustainable palm oil

GRI 102-13

Material topic: sustainable raw materials

### Our long-term objectives:

- As from 2024, all palm oil purchased by the Puratos Group will be RSPO certified under the supply chain model RSPO Mass Balance, if not Segregated in the Europe, the United States and Canada.
- As from 2025, all palm oil purchased by the Puratos Group will be RSPO certified under the supply chain model RSPO Mass Balance, if not Segregated in the rest of the world.

### Key performance indicators 2020:

- In 2020, we reached our target of 100% sustainable palm oil by increased buying of certified sustainable palm oil under the supply chain models Mass Balance and Segregated. RSPO credits from the book & claim supply chain model compensated for the volumes of non-certified palm oil products used in Puratos' Group production sites in order to support the production of RSPO certified palm oil

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

Puratos promotes the growth and the use of sustainable palm oil products through global standards. We fully recognise the challenge of reaching 100% sustainable palm oil cultivation that respects biodiversity, natural ecosystems, local communities and workers in palm oil producing countries. This is why, Puratos aims to trade with certified suppliers that are committed to this change. Puratos supports the production of sustainable palm oil in for the total palm oil consumption of the group. Puratos reached this target by increasing the 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.

Puratos is committed to a sustainable palm oil supply chain that:

- Is free of deforestation and the use of fire.
- Safeguards biodiversity & wildlife.
- Conserves Peatlands.
- Protects the forest 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 applicable laws.
- Improves working conditions and the livelihoods of workers through responsible production, education, and health services.
- Promotes the inclusion of smallholders into our sustainable palm supply chains.
- Lives up to high standards of transparency through reporting of traceability up to the palm oil trees.

All these elements are included in our palm oil sourcing policy which we are asking our main suppliers to sign so we can make sure that our commitments are in line. This process started in 2020 and will continue in 2021.

Puratos also invested 100k€ in “The Rimba Raya project” in Borneo which focuses on the environment and the protection of smallholders by

- Protecting tropical forest and peat swamp against the conversion into palm plantations.
- Engaging local communities to improve food security, living income, health care and education.
- Applying agroforestry and reforestation.
- Securing biodiversity.

## Our commitment to sustainable cocoa

*Material topic: sustainable raw materials*

### Our long-term objectives:

- By 2025, all chocolate produced and sold by Belcolade will be sustainable (in accordance with Beyond Chocolate).
- By 2030, cocoa growers will earn a living income (in accordance with Beyond Chocolate).
- By 2030, deforestation due to cocoa growing for the Belgian chocolate sector has ended (in accordance with Beyond Chocolate).
- By 2030, Puratos will plant 3.440.000 trees in its direct Cacao-Trace cocoa supply chain to promote climate-smart farming technique, provide additional income and sequester carbon.

### Key performance indicators 2020:

- Although the total purchased volume of cocoa decreased by 17%, the share of sustainable cocoa increased from 25,22% in 2019 to 26,67% of which 9,89% was through our audited Cacao-Trace™ programme (vs. 8,76% in 2019)

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 truly convinced that the sector challenges such as farmer income, forced labour and deforestation can only be tackled together with all stakeholders from the cocoa and chocolate chain and by involving the consumers.

That is why we are committed to a verified and certified cocoa supply chain as described in our policy on sustainable cocoa.

## Cacao-Trace: our commitment to sustainable cocoa

*Material topic: sustainable raw materials*

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

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

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

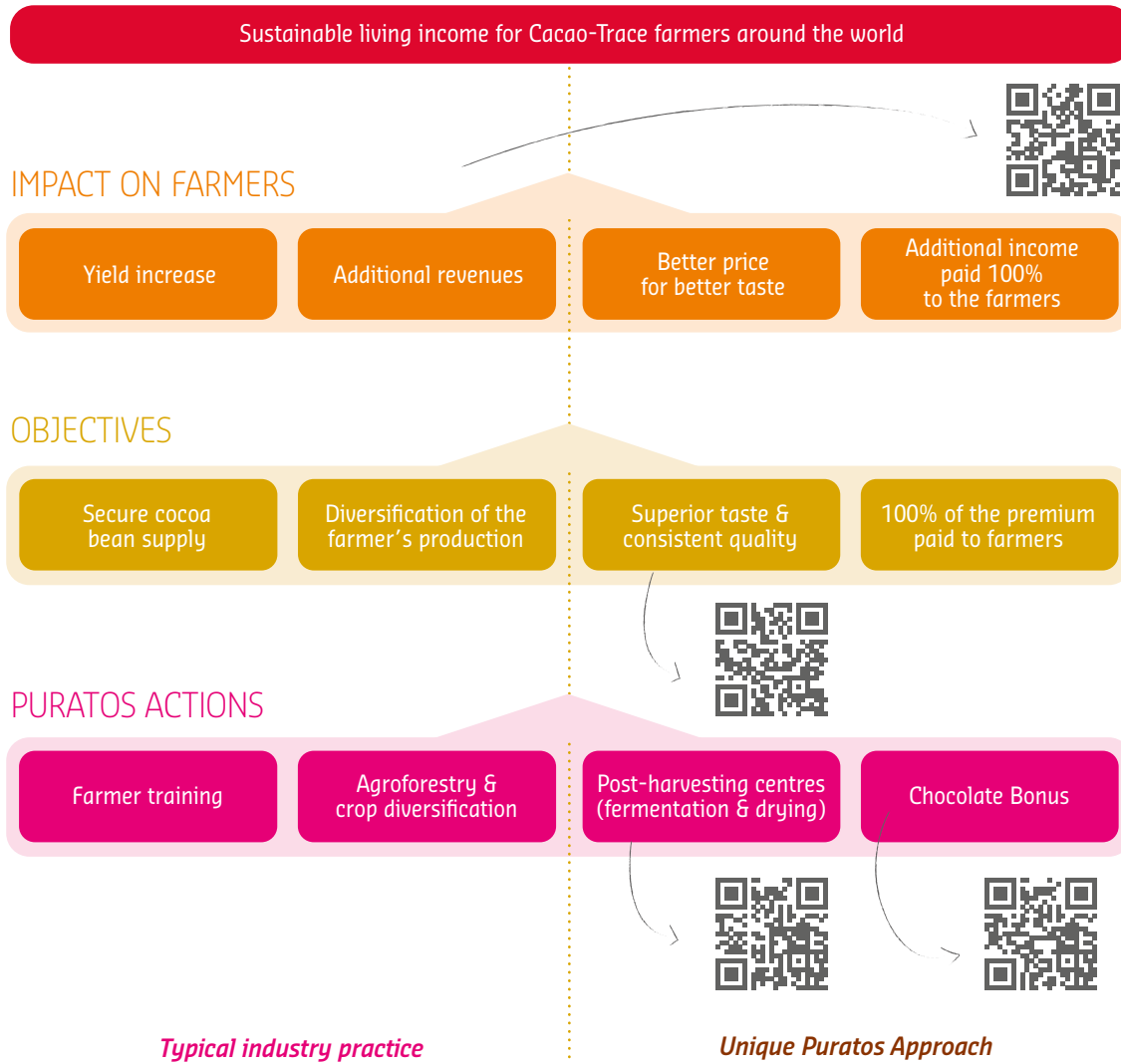
We apply complete transparency: €0.10 collected = €0.10 distributed. The Next Generation Cacao Foundation is responsible for the collection and distribution of this premium.

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



## How Puratos stands out

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



We are currently deploying the Cacao-Trace initiative in Vietnam (2014), Ivory Coast (2015), the Philippines (2017), Papua New Guinea (2018), Uganda (2018), Mexico (2019) and Cameroon (to start in 2021).

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

## Our commitment to a sustainable fruit supply

Material topic: sustainable raw materials

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

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

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

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

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

## Our commitment to animal welfare

Material topic: sustainable raw materials

### Our long-term objectives:

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

Animal welfare is important for Puratos and is part of our commitments to you and to future generations.

As suppliers of bakery, patisserie and chocolate ingredients, we replace, when requested, 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. In 2019, we sold a tonnage equivalent to around 250 million eggs, the annual production of 1.000.000 hens.
- Mimetic, a new generation of fats which provides a real butter sensation, traditionally used in the preparation of croissants, pastries and cakes.
- Ambiente, A UHT non-dairy topping, specially designed for cake decoration.

03

ENVIRONMENT

No-one can ignore the extent of the environmental crisis facing humanity. There is an urgent need to reduce our environmental footprint in order to preserve our planet for future generations. Puratos considers this as an opportunity to reduce the company's carbon footprint, water consumption and waste generation. We have clear objectives: become CO<sub>2</sub> neutral by 2025 and water balanced by 2030. In addition to our individual company efforts, we wish to do more. This is why the Puratos Group has joined the Belgian "Sign for my future" movement which is sending a strong signal to local politicians and requesting clear measures for our planet and climate. Puratos adheres to the Precautionary Principle and does not take action if the consequences are uncertain or potentially dangerous to the environment or human health.

GRI 102-11

GRI 102-12

## Carbon neutral and water balanced

*Material topics: carbon neutrality and water management*

Puratos has committed itself to ambitious sustainability goals: the company will become carbon neutral in 2025 and water-balanced in 2030. To reach this goal, Puratos has set up some very concrete projects.

### Carbon footprint

#### Our long-term objectives:

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

#### Performance 2020:

- Puratos was awarded a Grade B for reporting to CDP Climate in 2020: It is a recognition of our coordinated action on climate issues considering the average global food processing sector is Grade D. The CDP is the world's most comprehensive collection of self-reported data, the world's economy looks to CDP as the gold standard of environmental reporting. It enables companies to progress through benchmarking and comparison with peers. Less than 3% of the companies reporting worldwide are able to reach Grade A.
- TOTAL 2020: gross emission is 111.000 tCO<sub>2</sub>e as gross. Considering Puratos is now sourcing 67% of its electricity from renewable on the market our net emission is 87.000 tCO<sub>2</sub>e which is 9% less than 2019 or 18% less than 2016. Puratos aim to purchase 100% renewable electricity by 2023. We have achieved 48% in 2018, 60% in 2019 and 67% in 2020 (100% Belgium, Spain, USA, China, Russia, Mexico, Brazil) and are aiming for 80% in 2021.

GRI 302-1

GRI 302-3

GRI 302-4

GRI 303-3

GRI 303-4

GRI 303-5

GRI 305-1

GRI 305-2

GRI 305-3

GRI 305-4

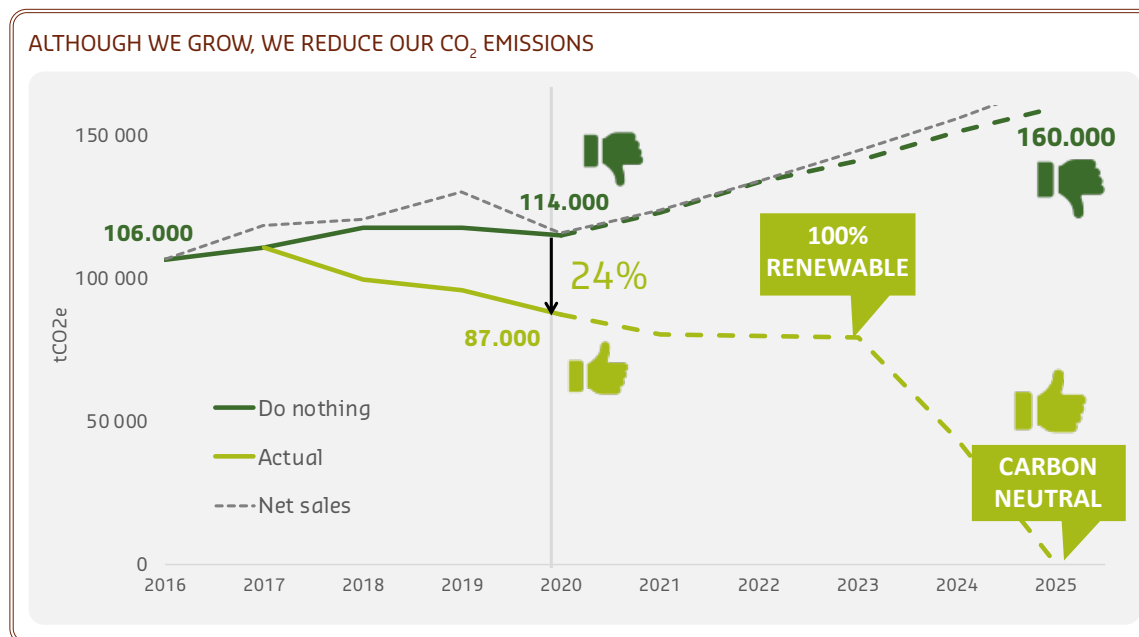
GRI 305-5

GRI 306-1

## Concrete actions leading to carbon neutrality

Globally, Puratos already achieved 24% CO<sub>2</sub> emission reduction compared to business as usual, this means we already achieved 18% CO<sub>2</sub> reduction. To reach zero emissions and become Carbon Neutral in 2025, we need to focus on three dimensions:

1. Energy efficiency
2. Renewable energy
3. Carbon compensation



## Energy efficiency

Energy efficiency means using less energy to be more efficient, for example investing in new and more efficient technology, energy recovery, utility and process optimization, and good housekeeping. In 2020 Puratos invested in 13 energy efficiency projects.

The smart hot water grid and gas cogeneration in Groot-Bijgaarden, completed in August 2020, was an investment of 2,7 million euros and is by far the largest energy saving project ever undertaken by Puratos. This cogeneration is now producing 65% of the site's electrical needs and 30% of the heat. In addition, the new margarine and fat lines were designed to be steam free (more energy efficient) so heating directly comes from the new central hot water network which is heated by the cogeneration.



## Renewable energy

Renewable energy is useful energy that is collected from renewable resources, which are naturally replenished on a human timescale, including carbon neutral sources like sunlight, wind, rain, tides, waves, and geothermal heat.

A lot of different actions to use renewable energy are driven at Puratos among which, solar panels. So far, we have installed 25.000 m<sup>2</sup> of solar panels on production sites in 6 countries and have plans to do so on 25 other sites.

This will allow us to produce 17% of our electricity need on-site.



On top of that Puratos already source 100% renewable electricity in Belgium, USA, Iberica, China, Mexico, Russia and Brazil. By 2023 Puratos will be sourcing 100% renewable electricity for all operations.

## Carbon compensation, capturing carbon by planting trees

Instead of merely compensating the carbon emissions, which could easily be done by buying certificates, Puratos chooses to plant trees.

Planting trees is an efficient way to capture carbon. We do this at the cacao plantations that are involved in our Cacao-Trace program. Many farmers grow only one kind of tree: the cacao tree.

Within Puratos' sustainable cocoa program, we convince and train farmers to start working via agroforestry: planting different tree species, shade trees, like timber, galip nut or fruit trees, like pomelo, between the cacao trees.

Both Puratos and the farmer benefit from this agricultural model.

The trees will capture CO<sub>2</sub>, helping Puratos to achieve its ambitious goal and the farmer benefits in three ways:

1. The cacao trees benefit from the shade tree, protection from heavy rains, increasing biodiversity to enhance cacao pollination, leading to an increased production.
2. Extra sources of revenue are generated by selling the fruits.
3. The shade trees fertilize the soil, reducing the farmers expenses on fertilizers.

## Over 140.000 trees planted in 2020

In 2020, Puratos planted 140.000 trees in the Philippines, Vietnam, Mexico and Papua New Guinea.

In 2021 we aim to plant over 210.000 trees including Ivory Coast in our planting programme.

By 2025, we aim to plant 1.6 million trees over 6000 hectares. Puratos supports its farmers' community financially and technically to plant the trees, thanks to the help of PUR Project (our partners).





## Water footprint

### Our long-term objectives:

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

### Key performance indicators 2020:

- Puratos was awarded a Grade B for our first reporting to CDP Water in 2020: It is a recognition of our coordinated action on water issues.
- Total 2020: water use is 1.8 million liters, 1% less than 2019 and 7% more than 2016 due to increase in production.

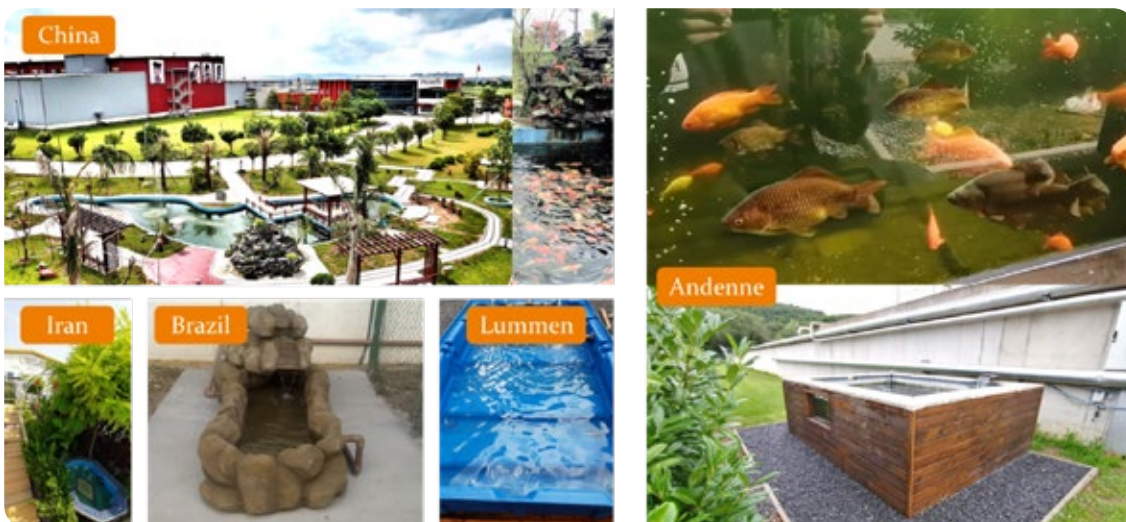
## Concrete actions leading to water balance

In terms of water consumption, Puratos maintained the same water consumption as last year, 1.8 million cubic meters of water, the equivalent of 720 Olympic swimming pools. About 9% of this water was used as an ingredient in our products, 18% was evaporated in cooling or drying process and 73% was discharged back to nature after wastewater treatment. Half of our wastewater is treated by urban wastewater treatment plants and the other half is treated on site in our own wastewater treatment plants before discharge to brooks.

In 2020 Puratos invested to upgrade our wastewater treatment capacity and to reduce our water consumption.

In 2020 we have completed and commissioned a new anaerobic reactor in Belgium, a full new wastewater treatment plant in Vietnam and started construction of another one in Indonesia.

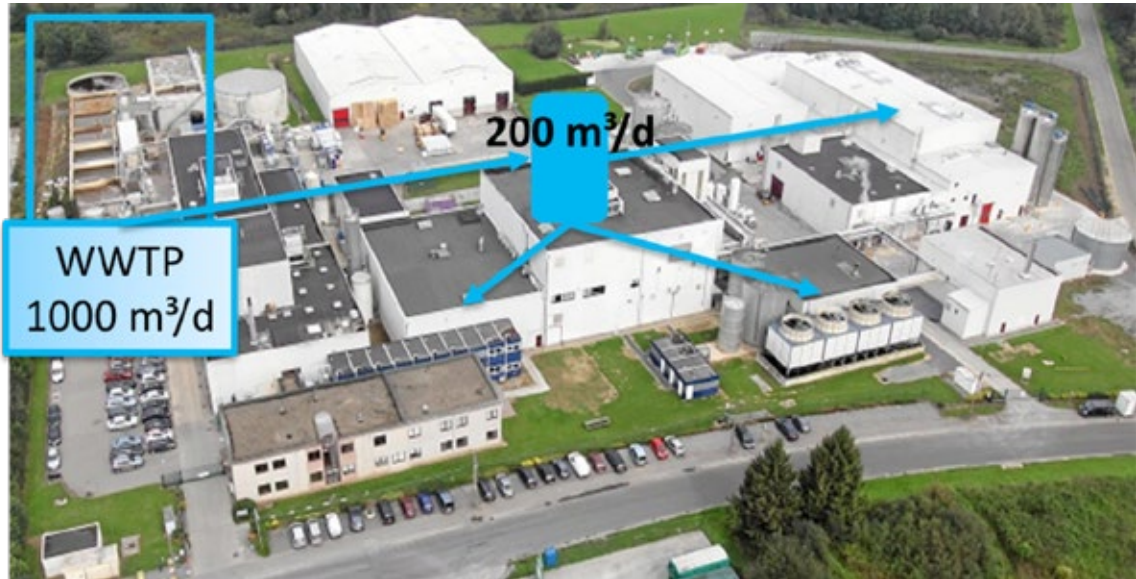
Puratos water discharge to river is safe for the fish and good for the environment. To demonstrate this several fishponds have been built to show the quality of our water discharge, after wastewater treatment plant, and before release to rivers.



GRI 303

GRI 306

One of Puratos biggest factories, Andenne in Belgium, completed in December 2020 a project to reuse treated wastewater as an alternative source of water supply to the factory. This economically attractive investment is expected to reduce by 20% Andenne water use, thereby reducing by 4-5% the Puratos total water use.



## Packaging material

*Material topic: non-food waste*

Puratos Group has set the ambition its packaging materials to become fully recyclable or reusable by 2025, with a deep focus on helping our customer reducing their environmental footprint of the product – packaging solutions we serve them. Our targets are translated to clear objectives and projects with the aim to replace non-recyclable packaging (RECYCLE), to avoid any ‘overpacking’ of our Puratos products (REDUCE) while maintaining product quality and shelf life, and to REUSE packaging materials maximally where possible. Moreover, Puratos Group has taken the challenge by 2025 to source 100% of its cardboard and wooden packaging from sustainable forestry, complying with FSC® or PEFC® certifications. On regular timing, new projects and achievements are communicated via scientific magazines, social media and via our website.



## Food waste

Material topic: food waste

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

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

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

Historically, one of the milestones for Puratos, was the creation of the first ever complete bread improver. This solution initiated a revolution in the baking industry and allows to prolong the freshness and shelf life of baked goods. Today it's a major product for the group with more than 100 formulas, adapted to local needs around the globe. 5500 is now sold somewhere in the world every 80 seconds.

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

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

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

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



04

HERITAGE

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

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

**Our long-term objectives:**

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

**Key performance indicators 2020:**

- 131 sourdoughs from 23 countries are stored in our physical library in St. Vith.
- Over 2.200 sourdoughs from over 1.900 cities have been registered in our digital library since September 2016.

## Bread

*Material topic: preservation of food culture*

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



### O-tentic, ancient tradition of fermentation

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

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

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

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



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

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

The Puratos Sourdough Library in St. Vith was created to store and preserve the best sourdough cultures in the world. By January 2020 the sourdough library contained 131 samples from 23 countries. Like grains, sourdoughs are delicate and can be easily misplaced or damaged, leaving the world a little poorer than before.

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

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

### “The Quest for Sourdough”

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

This initiative is one of a kind in the world of baking. Since it was launched at the end of September 2016, we have already registered over 2.200 sourdoughs from 1.900 cities in 96 countries and regions, such as the USA, Chile, the Caribbean, Europe, the Middle East, South Africa, China, Australia and New Zealand.

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

The Quest for Sourdough website remains open for anybody to register their sourdough, meaning the sourdough flavour map will continue to develop overtime. New countries will pop-up, and who-knows; overtime the dominant flavour profiles might shift to other flavours.

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

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

### La “Maison du Levain”

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

### What is sourdough?

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

#### Videos

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



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

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

### A second life for the very first Sensobus

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

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



## Belgian chocolate

Material topic: preservation of food culture

### Belgian chocolate – to perpetuate taste and heritage



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

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

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

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

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

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

Choco Story conducts a yearly study on traditions that were or are still strongly linked with cocoa in the world, such as those of the Mayas, the Kunas and Shuars. These studies are then published in the shape of books which constitute a source of information for future generations.





### The largest criollo plantation in Chunca, Mexico

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

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

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

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



### Library of native Mexican cocoa varieties

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

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

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

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

05

PEOPLE

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

**Our long-term objectives:**

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

## Puratos Magic

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

### Quality

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

### Ethics

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

### Vision

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

### Courage

Seizing opportunities, never being afraid to try new things.

### Passion

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

### Team Spirit

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

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

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

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

## What does Puratos Magic mean to our employees?

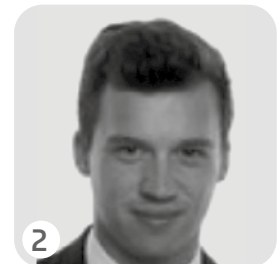
### 1 Sloan Bennett (USA, Marketing Manager, Retail & East)

*“For me, Puratos Magic is motivation, resiliency, tenacity, and creativity. We are motivated as innovators and set the pace for creative solutions in our industry. We are resilient in our efforts to break barriers and push through tough challenges. We are tenacious in our approach with our customers; showing them not only our ways in which we can help provided them with product solutions, but that we can be there for them when life and business gets tough. We are creative in the ways we collaborate so that we can produce new ways of working, that not only benefits the company, but each employee as an individual. At Puratos, I truly feel well rounded. I’m able to apply my experience from previous roles, while strengthening my expertise in my current role as Marketing Manager for Retail. I’m able to do this as well as express my views and live out my values as Co-Chair on our DE&I team, Unify. All these qualities in one company is rare and is what truly makes Puratos a unicorn.”*



### 2 Matthias Vandemoortele (Belgium, Regional Supply Chain Analyst)

*“I have been given an amazing opportunity at Puratos to join the Global Graduate Program and have learned a lot on my magical journey so far. I have rotated through several job positions allowing me to broaden my knowledge base significantly. On my business travels I have been to many countries and have worked together with many people, all the while experiencing different cultures. It is truly the people, their drive and the team spirit that make Puratos such a fun place to work at.”*



### 3 Adriana Lucia Wahanik (Colombia, R&D Application Specialist)

*“I have been working in Puratos for almost 4 years, and every day I have had the opportunity of learning new things and deepen the knowledge and science behind bakery, patisserie and chocolate, which allows me to improve the development of the products.*

*For me, Puratos Magic means understanding what the market, the customers and the consumers want, and combine it with the concepts, solutions and innovations that we can offer. For this, we strive hard to delight our customers and help them create new and passion-filled products that amaze everyone, also thinking in offering them the best solution in terms of health and well-being. Puratos Magic is everywhere in our daily work and is what impulses us to be better!”*





**4 Miriam Costals (Spain – Executive Assistant / Consolidation & Reporting)**

*“I started working in Puratos at the end of 2007, it has been a long time and I can tell you that I have the privilege of working very close to great minds with great purpose and great values.*

*After this almost 14 years I can say that Puratos Magic is the strength, the passion, the enthusiasm, and the fellowship of each employee who are part of this incredible company.*

*That’s what Puratos Magic is all about. I am proud of being part of such an international and dynamic big company carried out as a big family with solid values.”*



**5 Gemma Majoral (Spain, Administrative, Chocolate Production)**

*“At Puratos Spain, we set a day, at the beginning of the year, to celebrate the Puratos Magic event together. This day we all get to know general results of the previous year. There are also tributes and gifts for employees who are celebrating their seniority anniversaries such as their 10<sup>th</sup> or 25<sup>th</sup> years of service. At the end of the event we all have lunch together. It is a great opportunity to socialize and to meet other colleagues from different departments that you may be in contact with but never met before. Hence, it is a special day for all of us. “*



**6 Nelson Barriga (Canada, Quality Manager, Mississauga)**

*“I recognized ‘Puratos Magic’ concept when it didn’t exist formally, 15 years ago, being accepted as a trainee student in the Quality Lab after knocking the door of an unknown factory at Puratos Chile. Puratos Magic made me grow as a professional, gave me second and third opportunities, and extended my horizons. This magic motivated me to create a strong network with my Puratos colleagues around the world, always supported by my N+1 s and functional leaders. Since 2020, I am working at Puratos Canada as a Quality Manager. I am living my own Puratos Magic, surrounded by a passionate team. I want to say thank you to all my coaches, trainers, mentors, who trusted in me and inspired me to go to the next level. The secret of success is never be tempted to abandon your dreams and being as close as possible to your team, believing in them, understanding their jobs, necessities and aspirations.”*



**7 Wade Godin (Canada, General Manager, Fraser Valley)**

*“To me, Puratos Magic is the answer to why we do what we do every day beyond the pay we receive to do it! Knowing that we work for a company that authentically cares for its people and has programs to grow our knowledge and skills. Seeing the efforts to become carbon neutral and ensuring there is a future for the generations to come. Reaching out to those who are marginalized and establishing real programs like Cacao Trace that tangibly resolve the issue. Working with colleagues whose passion is authentic whether that is for baking bread or finding enzymes around the world. I believe that many people search for purpose in their careers and that Puratos Magic is the phrase that we use to capture that purpose.”*

**8 Sergio Arruda (Canada, Technical Advisor Bakery, Mississauga)**

*"I have been part of the Puratos Family since November of 2012, and everyday has been Magical.*

*To me, Puratos Magic is very personal, it's instilled in me, whether at work or home. It is the heart, spirit and soul of everything I do and, represents who I am as person.*

*The core values of Puratos Magic, Trust, Team Spirit, Passion, Ethics, Courage, Quality, Vision is a way of life that brings us all together. It fosters our diverse community with values and principles that align us as a company. It demonstrates to our customers reliability and consistency as their partners.*

*During the last 8 years, Puratos Magic has inspired me to take a step forward with perseverance, courage and confidence helping me grow as an individual and professional."*



**9 Bianca Teixeira (Brazil, Internal Communication Analyst)**

*"For me, Puratos Magic is the passion that each employee has when performing their daily tasks. It is the care, commitment and dedication that we have in everything we do! Furthermore, Puratos Magic is what connects so many employees, teams, leaders, partners, consumers and customers in the search for quality products around the world, in a way that only we know how to do!"*



**10 Trupti Salunkhe (India, Sr. Executive- Regulatory Affairs)**

*"I have been working in Puratos for more than 5 years now. I have enjoyed working here because everyone in Puratos is Passionate about their work and their products. Puratos magic to me is to enjoy the success of our company as a team and learning from your failures. Its been a great journey..."*



**11 Prerana Chaudhari (India, Manager – Human resource)**

*"Puratos Magic is the magic of thinking big. These are the special moments and feelings that I experienced. I proud to be part of Puratos family. Magical moments rekindle an instance of growth and success."*



GRI 404-1

## Learning and development

GRI 404-2

Material topic: Employee learning and development

As innovation is the key ingredient of our continued business growth, so is continuous learning to the sustainable success of our employees. As skill needs shift very fast, we need to enable our employees to remain relevant and successful over time in their careers and lives.

### Key performance indicators 2020:

#### Global e-course completion

- 190 e-courses available
- 4.218 active learners
- 35.387,5 total learning hours

#### Global course completion

- Business Ethics & Code of Conduct:
  - » Part 1: 90% YTD completion
  - » Part 2: 82% YTD completion
  - » Part 3: 23% YTD completion (completion deadline 31/03/2021)
- Safety Basic Induction
  - » Operations: YTD 52% completion
  - » Non-operations: YTD 77% completion
- Cybersecurity: YTD 40% completion

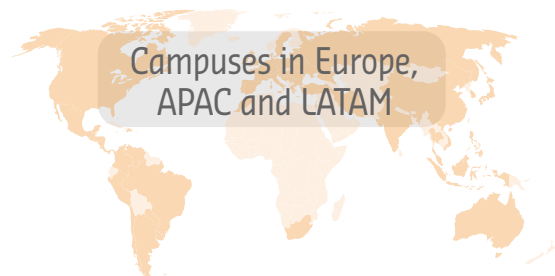
With innovation at the heart of everything we do, Puratos showed its commitment to continuous learning through the creation of our own Puratos University in 2006.



Learner  
community  
**+2500**

**+100**  
Internal  
trainers

**40** Product  
seminars  
/year



Campuses in Europe,  
APAC and LATAM



**Special  
programmes**  
on Strategic Innovations  
and Top Priorities

The Puratos University has campuses in Asia, Latin America and Europe, and offers top-quality content on our products, technologies and solutions, functional capabilities and leadership skills.



During the pandemic, the Global Puratos University agenda has been adapted to digital delivery formats. Our global business development teams have continued to train remotely in order to sustain knowledge transfer to our local business development teams.

To support our longterm hybrid learning strategy, new e-learning tracks have been developed on our core products and strategic innovations.

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



**13** Leadership Programmes/year



**Digital Learning** on Foundational Leadership Skills 

In January 2020 we launched a global Learning Friday's campaign to stimulate our leaders to dedicate 30' each Friday on leadership development activities. As a result, we tripled the learning activity in our leadership community from 478 to 1825 active learners.

The complex and fast changing world we operate in, makes continuous learning key to every employee. Our employee's feedback in the Voice! Engagement survey to have more training and more time for training, was clearly aligned with this new reality. Our employees' expectations are also changing, they want relevant, mobile, self-paced, and personalized content. Learning needs to be easily accessible anywhere anytime at the speed of need.

To meet the evolving needs, we launched a new global learning platform. The Puratos University experience has been improved by adding content and mobile access, while guaranteeing a seamless integration with all our other talent people modules within the platform.

Furthermore, additional training programs have been developed under the umbrella of Puratos University.

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

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

In 2020, the Sales Academy has been successfully implemented in 12 countries.

GRI 103-2

GRI 404-3

## Career development

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

Key performance indicators 2020:

- 100% of our employees received regular performance and career development reviews.



The crisis has increased the importance of structural and continuous feedback for both employees and managers significantly. Accelerated by the pandemic, we see the forecasts constantly changing. The future is uncertain: some competencies are becoming more crucial and business performance is unpredictable. Employees need to know what high performance looks like and which behaviours are recognised and important during disruption – like resilience and change management. Therefore, we have adapted our “Magic Moments” processes to make them relevant in the COVID-19 context and harmonized across the Group.

## Unicode

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

New performance objectives for the year to come are defined and development objectives are discussed. Linked to the crisis, the 2020 Unicode is focussing on relevant objectives and crisis-related activities, next to the core competencies, as these are more than ever valid for successful performance. The development actions for 2021 are defined to support employees to be ready for the "New Normal".

## Competency Assessment

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

Linked to the crisis, employees have been involved in specific crisis-related projects or business-critical activities to further develop.

## Mid-Year Review

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

It is also a good opportunity to identify strengths and blockers for objectives achievement and define further development needs or ways to leverage strengths. During this conversation, career aspirations of the employees are discussed. The Mid-Year Review is not a formal process, but rather an objectives-focused discussion between manager and employee.

Linked to the crisis, we used this process to connect to the employees by having a formal performance and development conversation. In this employee-manager conversation, feedback on performance was given and business-critical activities were prioritized. The aim was to upskill and engage our employees throughout the pandemic.

## Talent Reviews

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

Linked to the crisis, we focused during the "calibration sessions" on how employees made the difference during the pandemic and how we can develop them further to reach their full potential.

## People and Organization review

During the People and Organization review, HR together with the Group Executive Committee discuss the outlook for the future in terms of organization and talent needs. Linked to the crisis, organization structures have been reviewed in order to increase the effectiveness.

## Continuous Feedback

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

Linked to the crisis, this has been more important than ever and is promoted in an active way throughout our different HR processes.

## Safety and Health

Material topic: Employee health and safety

Puratos is committed to raise standards related to safety, occupational health and employee well-being for all its employees and this ambition is clearly expressed in our Occupational Health and Safety Policy.

At Puratos we believe Safety is a no-compromise item of the way we work, in productions sites of course, but also in warehouses, in offices and on the road, as many of our colleagues spend several hours driving.

The Company strongly encourages its employees to participate in Health and Safety definitions and strategies; locally as members of small site committees or through their leaders (N+1) or HR business partners. Globally through a representative group of factory managers, H&S managers, regional directors and group H&S manager that contribute to creating a Puratos healthy and safe work environment.

Strict standards and guidelines were developed, and all departments should operate in order to implement the global procedures, compliance with the local legal requirements and best practices, to avoid occurrences of incidents. Puratos continuously improves the work environment and working conditions; our aim is to create a good work-life balance for all employees.

In 2020, we had 2 focus areas:

- 1) prioritize health of all our employees with clear actions to prevent Covid-19 contaminations in our facilities and in private life of our employees
- 2) strengthen interaction, networking and communication between the Health & Safety community of Puratos

With these actions, we supported our strategy of caring for the people and families of our employees, avoiding virus out-brakes and minimizing risk of contamination in our operation facilities. We have also considerably increased collaboration and sharing of good practices. This action is in line with our strategy of increasing our culture of health and safety in Puratos.

To ensure Health and Safety of its employees, Puratos:

- reviews our safety, occupational health and working environment guidelines and procedures. They are available on our intranet site and external contractors are informed about these guidelines as well.
- collects, inspects and analyses data on safety and accidents. Safety reports are established and presented.
- monitors and updates benefit for employees and their families on a regular basis to encourage retention and to create a positive working environment.
- foresees health insurance for all employees and their families to help them with their medical expenses.
- communicates and underlines the importance of health and safety to its employees, visitors, contractors and the public.
- In 2020 and as a result of a task force to prepare for Covid-19 pandemic, Puratos has implemented a Covid19 group guideline which implementation has been checked on site and via virtual audits. This guideline was not only shared within Puratos sites and affiliates, but also with customers. Our actions to fight against Covid-19 pandemic are continuously reviewed and updated as we learn from the situation and the good practices observed by benchmarking carried out with other companies.

## Safety, Occupational Health and Employee Well-being

### Our performance 2020:

- Between 2018 and 2020, the number of accidents decreased to a level of LTIR below 1,0 and last year was not different: LTIR = 0,75.
- Puratos reached an LTIR of 2,80 in 2010 and in 2020 the LTIR was 0,75, an expressive frequency rate reduction of 70% in the last 10 years.

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 403-1  
GRI 403-2  
GRI 403-3  
GRI 403-4  
GRI 403-5  
GRI 403-6  
GRI 403-7

## Safety

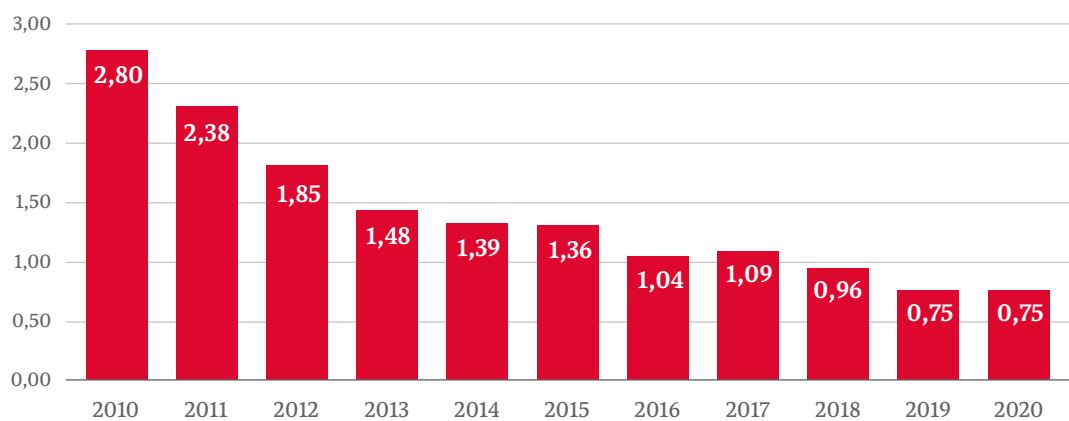
The key indicator we measure is LTIR (Lost Time Incident Rate), which is the industry metric to measure the number of Incidents with lost time per 100 FTEs.

GRI 403-9

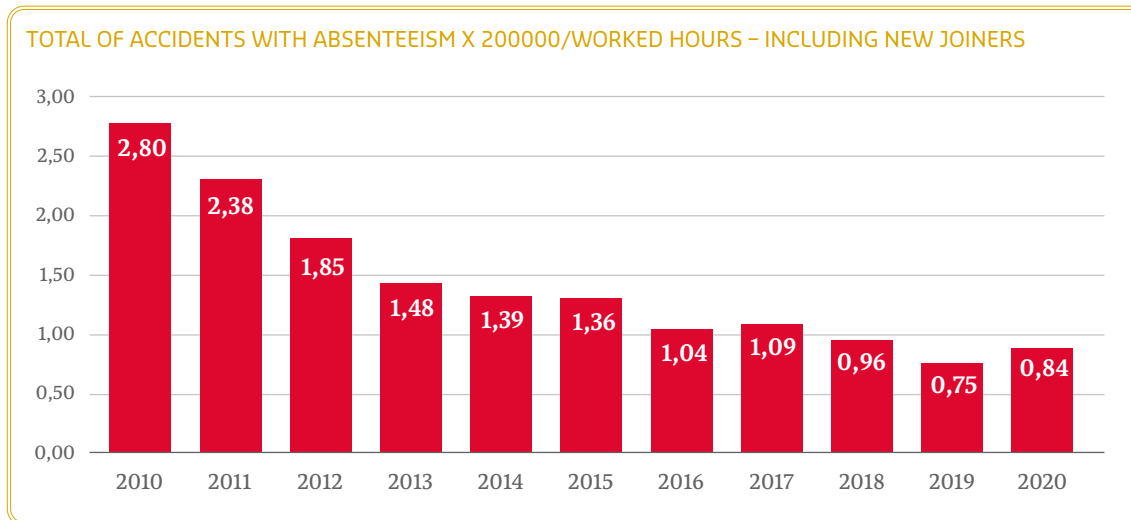
LTIR was in line with 2019, consolidating the progress we see over time.

Interestingly, companies we acquire have a much worse safety performance. If we would add them the Group LTIR would be 0,84, meaning specific focus is needed on new joiners (Puratos Malt, Ivory Coast factory, Sandel Foods Inc., Gluten Free, Kenya Ltd, Côte d'Ivoire, Cacao West Africa, Nigeria and Ethiopia Food Industries SC).

TOTAL OF ACCIDENTS WITH ABSENTEEISM X 200000/WORKED HOURS – EXCLUDING NEW JOINERS



The number of days lost went from 1,749 to 2,497 in the last year. This despite a decrease of worked hours from 0,45% during Covid-19 period.



Puratos is committed to conduct its business in ways that best protect the health and safety of our employees, visitors and contractors. One of the initiatives to support a Safety mindset is the 10 Safety Golden Rules. Those rules are linked to key behaviours needed in all our premises, that we regularly train and refresh our teams on.

Puratos 10 golden rules to approach zero accidents are:

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

All incidents and near misses that occur are treated and investigated, regardless of their severity, with the objective of reducing them to zero through the identification of the root causes, actions directed to the lessons learned and with the support of campaigns focused on prevention and safe behaviour. The data on accidents throughout the group are centralised and processed via our dedicated Health & Safety Channel on Teams, a system that connects all safety managers around the world to share best practices and learnings about safety prevention.

Detailed policies and guidelines regarding occupational health and safety are available on our intranet site and are regularly updated. They cover a wide range of health and safety areas such as detection of hazardous situations, explosions guideline, guideline burns and hot surfaces, guidelines on ergonomics, fire detection system, guideline for working with third parties, among others. In total we have 37 mandatory group rules (guidelines, procedures & working instructions) related to safety and health.

Each time an accident occurs, a form needs to be filled out to get more specific information about the incident: information on how and where the accident took place, if it was an employee, a visitor, or a subcontractor and if the accident resulted in absenteeism or not. They also need to provide information on the corrective actions that were put in place to avoid recurrence of the accident and the analysis to check whether the work accident is a work accident according to the Puratos definition. All serious and lost time cases must be escalated within 24 hours to local, regional, and global leadership up to Global Executive Committee level, including our CEO.

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

- eliminating hazards.
- if not possible, taking collective protection measures.
- if not possible, selecting appropriate personal protection equipment.

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

In 2020 we created a space for collaboration, in the Microsoft application -Teams where all internal information and events are extensively shared. For example, the main actions (per site) to reduce incidents or improve the safety culture for the year are shared there as well as the “Safety Flashes” linked to incidents.

Every Puratos employee plays a critical role in driving a zero-accidents culture. The e-learnings provide them with the necessary information and resources to promote a safe and healthy workplace and to fulfil the training requirements required by many EHS laws and regulations worldwide. Through this training, employees learn the key safety rules that every Puratos employee must apply in their working environment.

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

The monthly safety results are shared with the Global Operations Leadership Team (GOLT) in a specific report highlighting main cases, actions and priorities defined.

Additionally, we have launched in 2020 the initiative to define a Health and Safety plan per site.

## Covid-19 Pandemic: Protecting our people

Already in the early phase of the Covid-19 pandemic, it was clear that protecting our people was the first and most important priority. Several initiatives and actions were set up in order to manage and follow up the crisis and the impact on our people.

One of the basic initiatives was to organize an appropriate crisis communication within HR and towards the different target groups, such as U-team employees and all other employees of the group. Within HR a weekly global meeting took place, including the HR leaders of all regions and countries, in order to share and discuss their status and to align on the important actions, making sure that decisions taken at global level were implemented and taking into account the specific situations in the regions and countries.

In line with the lockdown measures in different countries, systems of teleworking have been set up in all countries, ensuring that office workers could continue their work without being present on the site. Supportive tools, training and communication have been set up to support employees working from home.

Puratos also provided information and training to employees and their families with respect to the protective and Health & Safety measures and a 'anti-corona kit' (including facemasks, gel, etc...) was sent. Specific initiatives were taken as well with respect to the mental health of our people such as virtual teambuilding, stress mastering, ....

## Employee well-being

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

- a competitive salary and benefits.
- employee benefits.
- the opportunity to grow through career development.
- the necessary resources to balance their professional and private life.

## me+Puratos

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





## Diversity

GRI 102-8

GRI 405-1

### Our approach

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

### Rewarding employees fairly

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

Allocation of employee remuneration is in accordance with company policies, subject to approval from our Group Executive Committee and Remuneration Committee and in full alignment with our values and principles of diversity (such as equal pay for men and women).

### Employees' Voice

During the crisis, we wanted to stay connected and close to our people. We wanted to listen to their concerns and feedback in order to take appropriate actions. We wanted to show we care and show our concern. And above all, we wanted to keep our people engaged. That resulted in the launch of a Group wide "Pulse!" Engagement survey beginning of June 2020. 76 countries participated to this survey, with a response rate of 88.7%. Both blue collars and white collars were invited to participate, resulting in 8273 responses. It was a short survey, composed of 18 questions, including 3 open questions, to hear how employees feel in COVID-19 times. Twelve questions were the same as in our previous VOICE! Group engagement survey (conducted end 2019, 61 countries, 90% participation rate) so we are able to compare the results before and during the pandemic. The 3 open "COVID-19" questions related to the health and safety measures, information and initiatives Puratos took for the employees during the pandemic.

One of the main conclusions was that thanks to the work done during and after the VIVA (Voice Idea, Voice Action) workshops following VOICE!, combined with all the work done during the crisis, the Group results have clearly improved. This confirms that together with employees we make Puratos an even better place to work.

06

COMMUNITIES

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

GRI 103-1

GRI 103-2

GRI 103-3

GRI 413-1

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

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

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

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

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

## Puratos Bakery Schools

Material topic: Community partnerships

### Our long-term objectives:

- Have 1.000 students in the program on a permanent basis.
- Open one bakery school every year.
- Find job placements for all graduates.

### Our performance in 2020:

- 12 students graduated in Brazil and 17 in Mexico. Due to Covid-19, our senior class in India will graduate in 2021.

People matter at Puratos, which is why we believe that it is very important to not only share our skills and know-how with our commercial partners, but also to help underprivileged communities in the countries where we operate. Being a reliable local partner is part of our international business philosophy, which we are delighted to have put into practice by opening already 5 Bakery Schools in India, Brazil and Mexico, South Africa and Romania. These schools are very close to the hearts of Puratos employees.

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

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

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



## The Next Generation Cacao Foundation

Material topic: Community partnerships



### Our objectives:

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

### Our performance in 2020:

- We collected a total bonus of €453.675 for our Cacao-Trace farmers (+11% compared to 2019).

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

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

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

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

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



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

*Material topic: Community partnerships*

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

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



*Photo of the citrus fruit processing plant.*



07

GOOD GOVERNANCE



## Puratos' Governance Structure

GRI 102-18

GRI 102-19

GRI 102-20

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

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

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

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

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

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

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

The Board of Directors consists of 15 members and is chaired by Eddy Van Belle. They make decisions on important business matters and supervise the execution of duties by directors and executive officers. On December 31st, 2020, the Board of Directors was composed of:

- |   |                                       |    |                      |
|---|---------------------------------------|----|----------------------|
| 1 | M. Eddy Van Belle, Président          | 9  | M. Benoit Gailly     |
| 2 | M. Dominique de Ville, Vice-président | 10 | M. Daniel Malcorps   |
| 3 | Mme. Ingrid Baty                      | 11 | M. Stefan Sablon     |
| 4 | M. Frédéric Delavie                   | 12 | M. Marc Swaels       |
| 5 | M. Michel Demanet                     | 13 | M. Enric Valls-Ruiz  |
| 6 | M. Michel Eeckhout                    | 14 | M. Cédric Van Belle  |
| 7 | Mme Beatriz Ehlis-Gunther             | 15 | M. Jo Van Biesbroeck |
| 8 | M. Hansi Ehlis-Pirretas               |    |                      |

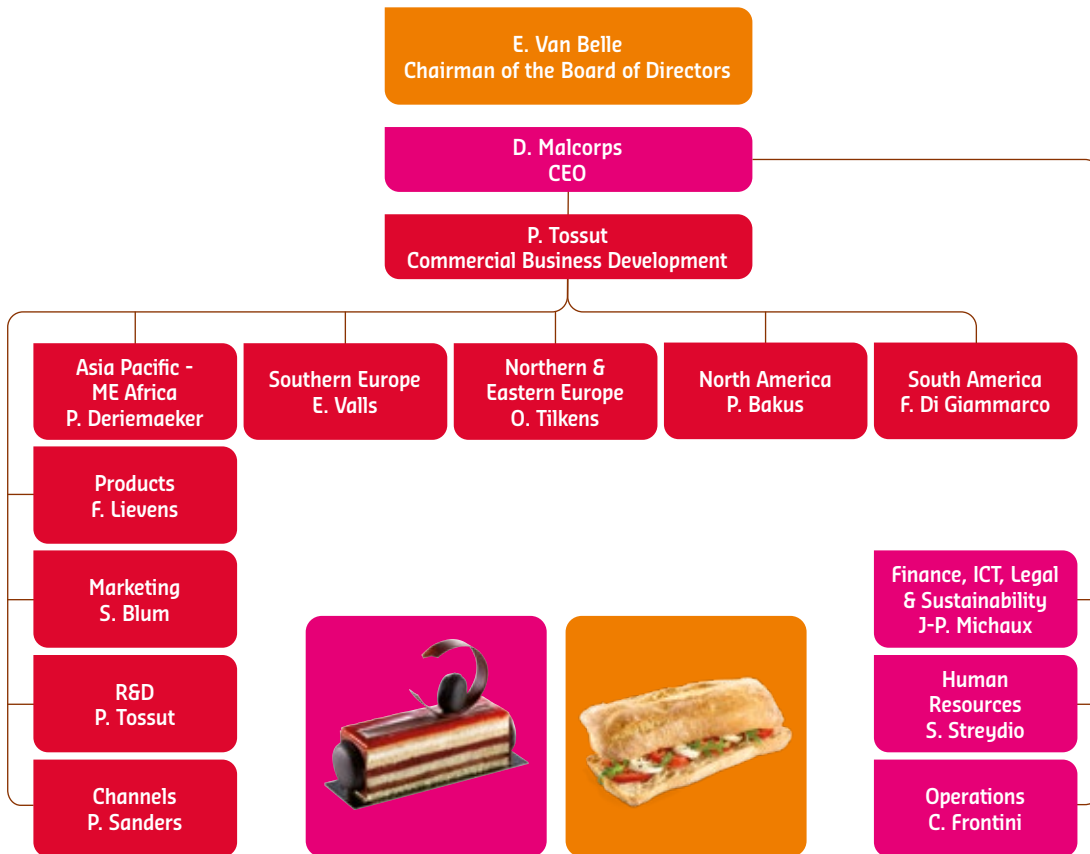


Of these 15 directors, 13 are not part of the Group's operational management and 7 are independent of the majority shareholders.

## The Organisation of the Group

The Executive Committee is organized according to the following structure:

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



GRI 102-12

GRI 102-16

GRI 102-17

GRI 102-41

## Corporate Governance Policy

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

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

## Business ethics and code of conduct

*Material topic: business ethics*

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

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

The Business Ethics and Code of Conduct was communicated to all Puratos employees. In 2020, all employees followed a mandatory training on ethical behaviour, which supports the development of a culture that is conducive to good corporate governance.

## Human Rights

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

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

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

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

## Whistleblowing and complaints

At Puratos, we maintain the highest ethical values, as is reflected in our company symbol: the unicorn represents both integrity and courage. Ensuring that we uphold the highest standards of integrity is the key to success in everything we do. Ethics drive our decisions, through being true to our conscience, maintaining our professional standards, honouring our commitments and ensuring absolute food safety.

In spite of this strong commitment however, conduct that violates the law, our Business Ethics & Code of Conduct policy or our company policies, may be observed. In that case, we encourage employees and third parties to speak up. By doing so, Puratos will have the opportunity to investigate the issue.

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

Puratos values the help of employees (or third parties) who identify and speak up about suspected misconduct. We do not tolerate any form of retaliation against an individual who reports a concern in good faith.

All reports are strictly confidential, and concerns can be raised by using a variety of channels:

1. If appropriate and possible, the concern should be raised directly to the person involved.
2. The N+1 or N+2 / local HR representative / Puratos Internal Audit / Puratos Legal Counsel
3. Corporate Directors: Group HR Director / Group Legal Director / Group Internal Audit Director
4. Via the online Ethics Portal: Speak Up @ Puratos <https://puratos.whistleblowernetwork.net/WebPages/Public/FrontPages/Default.aspx>
5. Via e-mail: [codeofconduct@puratos.com](mailto:codeofconduct@puratos.com)

08

APPENDIX

## Appendix

### About this report

The purpose of this 2020 CSR Report is to communicate and report to our shareholders and stakeholders, detailed information about our material topics as well as our societal and environmental impacts. Its intention is to present our sustainability strategy and approach in line with the 17 Sustainable Development Goals (SDGs) of the United Nations.

The CSR report 2020 has been prepared in accordance with the GRI Standards: the Core option of the Global Reporting Initiative's (GRI) Standards.

This sustainability report presents results of financial operations in the year 2020 under audit from Deloitte, whose auditors' report is included in the 2020 annual report. As for our non-financial performance (environmental, nutritional, occupational health, and safety aspects) this has been audited by Deloitte. We received a limited assurance statement which can be found at the end of this report. It shows our stakeholders that Puratos business operations are in line with our sustainability commitments.

### Scope of the report

The information presented is drawn from the 2020 fiscal year, comprising 12 months, starting January 2020 till December 2020.

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

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

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

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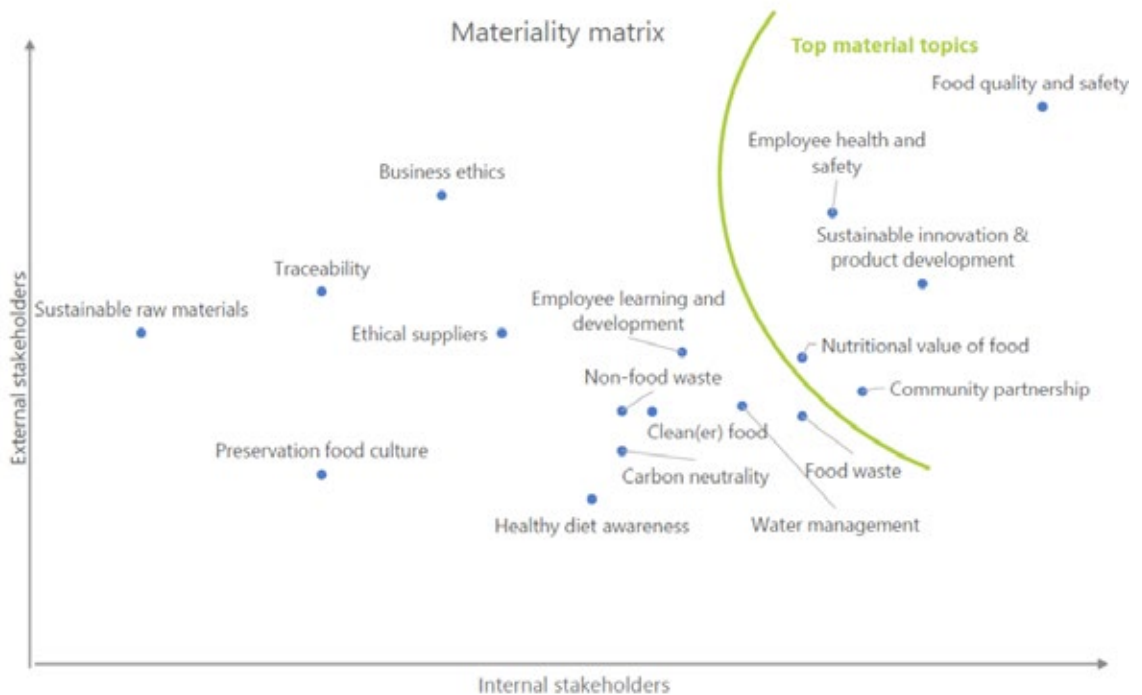
## Materiality assessment

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

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

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

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





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

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

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

In 2020, we continued to address our most important material issues which remained the same as in 2018. A new materiality assessment will be performed in the course of 2021.

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

GRI 102-47  
GRI 103-1

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

APPENDIX

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

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

GRI 102-40

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GRI 102-44

## Environmental Data Summary

GRI 302 ENERGY						
GRI	Indicator in MWh	Year 2016	Year 2019	Year 2020	Explanation	
<b>GRI 102: General Disclosure</b>						
Fuel	Natural gas	212.513 MWh	240.137 MWh	242.070 MWh	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	10.859 MWh	10.731 MWh	9.677 MWh	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.	
	Gas and diesel oil	20.848 MWh	21.093 MWh	23.299 MWh	LPG is used in 10 countries to generate steam.	
	Residual Fuel Oil	3.584 MWh	3.921 MWh	4.192 MWh	Residual fuel oil is only used in Morocco to generate steam.	
	<b>a. Total Non-renewable fuel consumed</b>	<b>247.803 MWh</b>	<b>275.882 MWh</b>	<b>279.238 MWh</b>		
	<b>b. Total Renewable fuel consumed</b>	<b>0 MWh</b>	<b>0 MWh</b>	<b>0 MWh</b>		
Electricity	Non-renewable electricity	147.319 MWh	66.763 MWh	50.993 MWh		
	Renewable electricity on-site	0 MWh	295 MWh	1.243 MWh	Production of renewable electricity on site since 2017 in Chile, since 2019 in China, Spain, Portugal and since 2020 in Malaysia and India.	
	Renewable electricity imported*	0 MWh	99.446 MWh	103.298 MWh	<p>**2018 Renewable electricity was purchased through green certificates in Belgium (GO=60000 MWh), China (I-REC=4000MWh) and USA (REC=14000MWh) equaling 100% of the electricity used by our facilities in these countries except for the USA where it equals 74%. On the Group level this equals 48% of the total electricity use, in line.</p> <p>*2019 Renewable electricity was purchased through green certificates in Belgium and Spain (REGO=770000 MWh), China (I-REC=4000MWh) and USA (REC Green-e certified =18700MWh) equaling 100% of the electricity used by our facilities in these countries. On the Group level this equals 61% of the total electricity use, in line.</p> <p>*2020 Renewable electricity was purchased through green certificates in Belgium and Spain (REGO=70000 MWh), USA (REC Green-e certified = 18000 MWh), China, Brazil, Russia and Mexico (I-REC=20,188 MWh) equaling to 100% of the electricity used by our facilities in these countries. On the Group level, this equals to 66% of the total electricity use."</p>	
	<b>c. Total electricity consumed</b>	<b>147.319 MWh</b>	<b>166.504 MWh</b>	<b>155.534 MWh</b>		
	District Heating	Non-renewable district heating	0 MWh	647 MWh	402 MWh	Austria district heating for building heating
		<b>d. Total District Heating consumed</b>	<b>0 MWh</b>	<b>647 MWh</b>	<b>402 MWh</b>	Austria district heating for building heating
Energy	<b>Total Non-renewable energy consumed</b>	<b>395.123 MWh</b>	<b>343.293 MWh</b>	<b>330.633 MWh</b>		
	<b>Total Renewable energy consumed</b>	<b>0 MWh</b>	<b>99.741 MWh</b>	<b>104.541 MWh</b>		
302-1	Total Energy consumed	395.123 MWh	443.034 MWh	435.174 MWh	2% decrease in total annual consumption compared with 2019.	

GRI 302 ENERGY					
GRI	Indicator in MWh	Year 2016	Year 2019	Year 2020	Explanation
<b>Energy intensity (302-3)</b>					
Energy intensity	Fuel intensity from Stationary combustion	100	100,81	110,89	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	99,82	99,78	
302-3	<b>Total Energy Intensity Primary</b>	<b>100</b>	<b>100,35</b>	<b>106,88</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 2020: Index is 113,39. When comparing 2016 and 2020, we observed an increase of 6.9% of our energy intensity. Due to the Covid-19 situation, we faced a reduction in our production volumes (-11%) and as the index is calculated as a ratio MWh vs tons produced, we were not able to achieve an improvement even if we managed to reduce by 2% our energy use compared with 2019 (considering that 70% of our energy consumption is non-variable).
<b>Reduction of energy consumption (302-4)</b>					
Energy reduction	Reduction of fuel consumption from Stationary combustion	0 MWh	-149 MWh	27.529 MWh	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 optimisation, utility optimisation, and energy saving initiatives such as utility optimisation, energy integration and awareness behavior change.
	Reduction of electricity consumption	0 MWh	-2.495 MWh	-28 MWh	
302-4	<b>Total Energy Reduction Primary</b>	<b>0 MWh</b>	<b>-5.652 MWh</b>	<b>28.197 MWh</b>	

GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016	Year 2019	Year 2020	Explanation
<b>Scope 1 Direct GHG emissions (305-1)</b>					
Scope 1	Stationary combustion	47.132 tCO <sub>2</sub> e	52.283 tCO <sub>2</sub> e	53.052 tCO <sub>2</sub> e	We use WRI methodology from <b>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</b> . Using tool "GHG emissions from stationary combustion v4.1 (May 2015)" and "Transport Tool v2.6 (May 2015)". Emission of annual refrigerant gas leakage was estimated in one large production site Erembodegem. Calculation of reported leakage in 2018 was 108 tCO <sub>2</sub> e while the site's total CO <sub>2</sub> e emissions (scope 1 and 2) was 5136 tCO <sub>2</sub> e. Therefore refrigerant leakage rate is less than 2% of the total CO <sub>2</sub> e emissions and deemed not relevant for Puratos. Same observation in 2019 (reported leakage was 49 tCO <sub>2</sub> e and site's total emissions was 4470 tCO <sub>2</sub> e) and in 2020 (reported leakage 70 tCO <sub>2</sub> e and site's total emissions 3999 tCO <sub>2</sub> e).
	Transport	18.366 tCO <sub>2</sub> e	19.586 tCO <sub>2</sub> e	15.556 tCO <sub>2</sub> e	
	Refrigerant	not relevant	not relevant	not relevant	
305-1	<b>Scope 1 Direct Emissions</b>	<b>65.498 tCO<sub>2</sub>e</b>	<b>71.869 tCO<sub>2</sub>e</b>	<b>68.607 tCO<sub>2</sub>e</b>	

*Environmental Data Summary - continued*

GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016	Year 2019	Year 2020	Explanation
<b>Scope 2 Energy Indirect GHG emissions (305-2)</b>					
305-2-a	"Scope 2 Location-based Gross Electricity"	(40.591 tCO <sub>2</sub> e)	(45.226 tCO <sub>2</sub> e)	(42.584 tCO <sub>2</sub> e)	<p>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.</p> <p>*2018 Renewable electricity was purchased through green certificates in Belgium (GO=60.000 MWh), China (I-REC=4.000MWh) and USA (REC=14.000MWh) equaling 100% of the electricity used by our facilities in these countries except for the USA where it equals 74%. On the Group level this equals 48% of the total electricity use, in line.</p> <p>*2019 Renewable electricity was purchased through green certificates in Belgium and Spain (REGO=60.000 MWh), China (I-REC=4.000MWh) and USA (REC Green-e certified =18.700MWh) equaling 100% of the electricity used by our facilities in these countries. On the Group level this equals 61% of the total electricity use, in line.</p> <p>*2020 Renewable electricity was purchased through green certificates in Belgium and Spain (REGO=70.000 MWh), USA (REC Green-e certified = 18.000 MWh), China, Brazil, Russia and Mexico (I-REC=20,188 MWh) equaling to 100% of the electricity used by our facilities in these countries. On the Group level, this equals to 66% of the total electricity use.</p>
305-2-b	"Scope 2 Market-based Net Electricity"	40.591 tCO <sub>2</sub> e	23.889 tCO <sub>2</sub> e	18.613 tCO <sub>2</sub> e	
<b>Total Emissions Scope 1 &amp; 2</b>	<b>Gross Operations</b>	(106.090 tCO <sub>2</sub> e)	(117.095 tCO <sub>2</sub> e)	(111.192 tCO <sub>2</sub> e)	9% decrease in total net annual emissions compared with 2019.
	<b>Net Operations</b>	106.090 tCO <sub>2</sub> e	95.759 tCO <sub>2</sub> e	87.220 tCO <sub>2</sub> e	
<b>Scope 3 Other Operations Indirect GHG emissions (305-3)</b>					
305-3-1a	Optional: Water supplied	657 tCO <sub>2</sub> e	806 tCO <sub>2</sub> e	804 tCO <sub>2</sub> e	Calculated third-party emissions from water supply and water treatment for water disposed of via the drains. Source: UK Government Conversion Factors for greenhouse gas (GHG).
305-3-3b	Transmission and distribution losses	14.229 tCO <sub>2</sub> e	15.689 tCO <sub>2</sub> e	14.717 tCO <sub>2</sub> e	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 2019 Edition. Calculated district heating to account for the upstream Scope 3 emissions associated with 5% distribution loss for district heating. Source: UK Government Conversion Factors for greenhouse gas (GHG). 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 organisation's site (or asset) prior to their combustion. Source: UK Government Conversion Factors for greenhouse gas (GHG).
305-3-4	Upstream transportation distribution	not available	73.508 tCO <sub>2</sub> e	68.203 tCO <sub>2</sub> e	<p>We use WRI methodology from <b>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)</b>. It was not possible to use the fuel-based method because we have no information on quantity and fuel cost consumed during transportation. It was not possible to use the distance-based method because no data was available to estimate distance of transportation.</p> <p>We use the spend-based method defined by the GHG Protocol's Technical Guidance for Calculating Scope 3 (v1.0). Calculated of upstream emissions of transportation and distribution from spend-based data method using the GHG Protocol 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 mass, 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 15 countries that represent 76% of our total estimated cost for transportation. The remaining 24% of our transportation cost, 43 countries, was extrapolated using reference estimate.</p>

GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016	Year 2019	Year 2020	Explanation
305-3-5	Waste generated in operations	not available	2.224 tCO <sub>2</sub> e	2.030 tCO <sub>2</sub> e	The different sites were asked to report their waste streams (quantity and destination) into 4 categories: disposal/residual waste, feed, recyclable waste, sludges. To convert this data in CO <sub>2</sub> emissions the UK Government Conversion Factors for greenhouse gas (GHG) were used considering that the residual wastes are incinerated for the sites in Europe and North America (only for Pennant) and go to the landfill in Asia, Africa and South America, the recyclable waste are involved in a closed-loop process and the sludges in an anaerobic digestion process. *In 2019, our CO <sub>2</sub> emissions due to our waste production represented 2.3% of our total CO <sub>2</sub> emissions. *In 2020, based on the 2020 production volumes and on the ratio waste produced vs production volumes calculated in 2019 and using the same methodology as in 2019, we estimated the CO <sub>2</sub> e emissions related to waste at 2030 tCO <sub>2</sub> e.
305-3-6	Business travel (flights)	not available	1.833 tCO <sub>2</sub> e	135 tCO <sub>2</sub> e	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. 2% of the travels are estimated as they are not bought through FCM Travel Solutions.
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.
305-3	<b>Total Scope 3 Indirect operations</b>	<b>not available</b>	<b>94.060 tCO<sub>2</sub>e</b>	<b>85.889 tCO<sub>2</sub>e</b>	
<b>Scope 3 Agricultural Commodities (AC)</b>					
Agricultural Commodities (AC)	Palm	not available	584.722 tCO <sub>2</sub> e	453.198 tCO <sub>2</sub> e	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 2019, Puratos purchased 115,088 tons of refined palm oil (RBD) of which 13% was RSPO-certified. In 2020, our goal is to compensate all none-certified palm oil using RSPO credit «Book and claim». *In 2020, Puratos purchased 93,401 tons of refined palm oil (RBD) of which 25% 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.-o 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 2019: Using these data, indirect GHG emissions from palm oil for Puratos represent: RSPO-certified 15,465 tons x 3.41 kg CO <sub>2</sub> e/kg RBD oil = 52,737 tons CO <sub>2</sub> e. None-certified 99,623 tons x 5.34 kg CO <sub>2</sub> e/kg RBD oil = 531,987 tons CO <sub>2</sub> e. Total 2019 indirect GHG from palm oil purchasing 52,737 + 531,987 = 584,722 tons CO <sub>2</sub> e. *In 2020: RSPO-certified 23,608 tons x 3.41 kg CO <sub>2</sub> e/kg RBD oil = 80,503 tons CO <sub>2</sub> e. None-certified 69,793 tons x 5.34 kg CO <sub>2</sub> e/kg RBD oil = 372,695 tons CO <sub>2</sub> e. Total 2019 indirect GHG from palm oil purchasing 83,503 + 372,695 = 453,198 tons CO <sub>2</sub> e.

*Environmental Data Summary - continued*

GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016	Year 2019	Year 2020	Explanation
Agricultural Commodities (AC)	Sugar	not available	125.705 tCO <sub>2</sub> e	132.735 tCO <sub>2</sub> e	<p>At this stage Puratos provide here an estimate of GHG from sugar purchasing using secondary data and purchased volume of sugar beet and sugar cane.</p> <p>0.771 kgCO<sub>2</sub>e/kg beet sugar and 0.76 kgCO<sub>2</sub>e/kg cane sugar were the two conversion factors used to calculate the 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 &amp; Landquist, Birgit &amp; Imana, Oscar. (2012). The Product Carbon Footprint of EU beet sugar (Part I). Zuckerindustrie. 137. 169-177. 10.36961/si12784., <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>).</p> <p>*In 2019: Using these data, indirect GHG emissions from sugar for Puratos represent: Beet sugar 134,138 tons x 0.771 kgCO<sub>2</sub>e/kg beet sugar = 103,420 tons CO<sub>2</sub>e. Cane sugar 29,322 tons x 0.76 kgCO<sub>2</sub>e/kg cane sugar = 22,285 tons CO<sub>2</sub>e. Total 2019 indirect GHG from sugar purchasing 22,285 + 103,420 = 125,705 tons CO<sub>2</sub>e in 2019.</p> <p>*In 2020: Beet sugar 146,092 tons x 0.771 kgCO<sub>2</sub>e/kg beet sugar = 112,637 tons CO<sub>2</sub>e. Cane sugar 26,446 tons x 0.76 kgCO<sub>2</sub>e/kg cane sugar = 20,099 tons CO<sub>2</sub>e. Total 2020 indirect GHG from sugar purchasing 20,099 + 112,637 = 132,735 tons CO<sub>2</sub>e in 2020.</p> <p>*In 2018, Cane &amp; Beet Sugar quantities should have been reported as: Beet Sugar 131,480 tons. It represents an increase by 2% compared to 2018, using the same emission factors in 2018 and 2019.</p> <p>Cane sugar 28,320 tons. It represents an increase by 4% compared to 2018. This is explained by the increase of produced volumes in the following products' categories: Wet products (3%), vegetable cream (UHT) (4%) and chocolate (7%).</p>
	Wheat	not available	107.518 tCO <sub>2</sub> e	97.369 tCO <sub>2</sub> e	<p>At this stage Puratos provide here an estimate of GHG from sugar purchasing using secondary data and purchased volume of wheat of which 98% is wheat flour and 2% seeds.</p> <p>Puratos has a partnership with Sheffield 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 gCO<sub>2</sub>e/kg of bread), it is clear immediately that wheat cultivation is the major source of GHG emissions (485 gCO<sub>2</sub>e/kg of bread) with the growth and protection process stages (mostly fertilizer) alone accounting for the main parts (351 gCO<sub>2</sub>e/kg of bread). Milling added a further 3.5 gCO<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 485/1000/(686/800) = 0.5656 kgCO<sub>2</sub>e/kg wheat flour</p> <p>*In 2019: Using these data, indirect GHG emissions from wheat for Puratos represent: Total wheat 190,097 tons x 0.5656 kgCO<sub>2</sub>e/kg wheat flour = 107,518 tons CO<sub>2</sub>e</p> <p>*In 2020: Total wheat 172,153 tons x 0.5656 kgCO<sub>2</sub>e/kg wheat flour = 97,369 tons CO<sub>2</sub>e</p> <p>*In 2018, purchased wheat was 173,544 tons. This represent a 10% increase from 2018 to 2019 and is the results of a company acquisition in South Africa.</p>
	Scope 3 Agricultural Commodities (Palm, sugar, wheat)	not available	817.946 tCO <sub>2</sub> e	683.303 tCO <sub>2</sub> e	<p>Agricultural commodities on which Puratos as part of the Food &amp; Beverage sector is most reliant including palm, wheat and sugar. Although we are concerned and taking concrete action by sourcing sustainable raw materials (palm oil, cocoa, fruits), at this stage Puratos only provide an estimate using secondary data.</p>



GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO <sub>2</sub> equivalent	Year 2016	Year 2019	Year 2020	Explanation
<b>GHG emissions intensity (305-4)</b>					
Emissions Intensity Index	CO <sub>2</sub> Intensity Index from stationary combustion	100	100,32	110,98	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. 2020: Index is 112.03. When comparing 2016 and 2020, we observed an increase of 5.7% of our emissions intensity index. Due to the Covid-19 situation, we faced a reduction in our production volumes (-11%) and as the index is calculated as a ratio tCO <sub>2</sub> e vs tons produced, we were not able to achieve an improvement even if we managed to reduce by 8.9% our net emissions compared with 2019.
	CO <sub>2</sub> Intensity Index from transport	100	99,08	110,71	
	CO <sub>2</sub> Intensity Index from electricity (Location based)	100	98,45	99,08	
305-4	<b>Total Emissions Intensity Index (based on scope 1 &amp; scope 2 Location based)</b>	<b>100</b>	<b>99,45</b>	<b>105,73</b>	
<b>Reduction of GHG emissions (305-5)</b>					
Emissions Reduction	CO <sub>2</sub> Reduction from stationay combustion	0 tCO <sub>2</sub> e	-53 tCO <sub>2</sub> e	5.537 tCO <sub>2</sub> e	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 out 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 optimisation, utility optimisation, and energy saving initiatives such as utility optimisation, energy integration and awareness behavior change.
	CO <sub>2</sub> Reduction from Transport	0 tCO <sub>2</sub> e	-131 tCO <sub>2</sub> e	184 tCO <sub>2</sub> e	
	CO <sub>2</sub> Reduction from electricity as Location based	0 tCO <sub>2</sub> e	-752 tCO <sub>2</sub> e	308 tCO <sub>2</sub> e	
305-5	<b>Total Gross Emissions Reduction (based on scope 1 and scope 2 Location based)</b>	<b>0 tCO<sub>2</sub>e</b>	<b>-935 tCO<sub>2</sub>e</b>	<b>6.029 tCO<sub>2</sub>e</b>	

*Environmental Data Summary - continued*

GRI 303 Water and Effluents									
GRI	Indicator in ML (Megaliters = 1 million liters)	Year 2016		Year 2019		Year 2020		Explanation	
		All areas	Water stress	All areas	Water stress	All areas	Water stress	All areas	Areas with water stress
<b>Water withdrawal (303-3)</b>									
Water with- drawal	i. Surface water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	Fresh water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	Other water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	ii. Groundwater	755 ML	642 ML	700 ML	473 ML	709 ML	467 ML	Well water pumped in 14 sites.	7 production sites in water stress area.
	Fresh water	755 ML	642 ML	700 ML	473 ML	709 ML	467 ML		
	Other water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	v. Third-party water	923 ML	578 ML	1.108 ML	711 ML	1.084 ML	685 ML	Sum of all city water from 53 production sites, industrial water in Charmes and, Truck water in Bulgaria, Iran, Mexico. This is excluding rain water reuse from Erembodegem and Philippines (=3.805ML).	21 production sites in water stress area.
	Fresh water	923 ML	578 ML	1.108 ML	711 ML	1.084 ML	685 ML		
	Other water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	Third-Party water withdrawal from Surface Water	6 ML		10 ML		8 ML		In Charmes France, industrial water supply is river water after filtration.	
	Third-Party water withdrawal from Groundwater	917 ML	578 ML	1.098 ML	711 ML	1.076 ML	685 ML		
	303-3	<b>Total Water Withdrawal</b>	<b>1.678 ML</b>	<b>1.220 ML</b>	<b>1.808 ML</b>	<b>1.184 ML</b>	<b>1.793 ML</b>	<b>1.152 ML</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 destina- tion	i. Surface water	749 ML	721 ML	758 ML	728 ML	723 ML	697 ML	12 production sites discharge directly to surface water.	9 production sites. China, Malaysia and Peru sites are not in water stressed areas.
	ii. Groundwater	13 ML	13 ML	21 ML	21 ML	22 ML	22 ML	1 site discharge directly to groundwater in Iran.	
	iii. Sea water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	iv. Third-party water	479 ML	135 ML	600 ML	178 ML	609 ML	144 ML	47 production sites discharge to city sewer.	
303-4	<b>Total Water Discharge</b>	<b>1.241 ML</b>	<b>868 ML</b>	<b>1.379 ML</b>	<b>927 ML</b>	<b>1.354 ML</b>	<b>863 ML</b>	<b>59 production sites reporting or estimated discharge.</b>	<b>24 production sites in water stress area reporting or estimated discharge.</b>
Water dis- charge by freshwater and other water	Fresh water	762 ML	734 ML	779 ML	749 ML	745 ML	719 ML	12 production site, sum discharge to surface water and groundwater	
	Other water	479 ML	135 ML	600 ML	178 ML	609 ML	144 ML	Discharge to city sewer (third-party water)	

GRI 303 Water and Effluents									
GRI	Indicator in ML (Megaliters = 1 million liters)	Year 2016		Year 2019		Year 2020		Explanation	
		All areas	Water stress	All areas	Water stress	All areas	Water stress	All areas	Areas with water stress
Water discharge by level of treatment	No treatment	265 ML		356 ML		323 ML		Discharge to city sewer (third-party water)	
	Primary physical-chemical treatment	66 ML		90 ML		89 ML			
	Biological process	909 ML		625 ML		544 ML		7 sites discharging to sewer (Thailand, Viadana, Quarenghi, 2 in Russia, Vietnam and Pennsauken), 7 discharging to surface water.	
	Biological process and supporting fish life	0 ML		305 ML		346 ML		China (2018), Andenne (2019), Brazil (2020) discharging to surface water and Iran (2020) discharging to groundwater.	
Water consumption (303-5)									
Water consumption	Total water consumption	438 ML	352 ML	429 ML	257 ML	439 ML	289 ML		
	Change in water storage if significant impact	not relevant	not relevant	not relevant	not relevant	not relevant	not relevant		
Water Intensity									
	Water Withdrawal Intensity Index	100		98,38		101,70		<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.</p> <p>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.</p> <p>2016: reference year : Index is 100 2019: Index is 101.70</p> <p>When comparing 2016 and 2020, we observed an increase of 1.70% of our water withdrawals intensity. Due to the Covid-19 situation, we faced a reduction in our production volumes (-11%) and as the index is calculated as a ratio m<sup>3</sup> vs tons produced, we were not able to achieve an improvement even if we managed to reduce by 0.9% our water withdrawals use compared with 2019.</p>	
Reduction of water withdrawal									
	Water Withdrawal Reduction	0 ML		-33 ML		59 ML		<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 optimisation, utility optimisation, and water saving initiatives such as utility optimisation and awareness behavior change.</p>	

*Environmental Data Summary - continued*

GRI 303 Water and Effluents									
Optional Table presenting Facility-level information in water stress area for GRI 303 Indicator in ML (Megaliters = 1 million liter)									
Water stress area	Year 2016			Year 2019			Year 2020		
	Water withdrawal		Consump- tive water	Water withdrawal		Consump- tive water	Water withdrawal		Consump- tive water
	Ground- water	Third-party water		Ground- water	Third-party water		Ground- water	Third-party water	
BE Andenne	393 ML	87 ML	132 ML	243 ML	59 ML	21 ML	209 ML	68 ML	20 ML
BE Belcolade	22 ML	3 ML	16 ML	6 ML	14 ML	10 ML	7 ML	12 ML	13 ML
BE Groot-Bijgaarden	67 ML	89 ML	35 ML	47 ML	122 ML	23 ML	59 ML	100 ML	42 ML
BE Lummen	-	111 ML	39 ML	-	118 ML	35 ML	-	128 ML	38 ML
BE Saint-Vith	-	28 ML	5 ML	-	34 ML	6 ML	-	35 ML	-
BGR Pernik	-	3 ML	1 ML	-	7 ML	2 ML	-	12 ML	4 ML
BRA Guarulhos	64 ML	-	29 ML	79 ML	-	32 ML	83 ML	-	36 ML
BRA Phoenix	-	4 ML	2 ML	-	5 ML	2 ML	-	5 ML	3 ML
CHL Santiago	-	15 ML	4 ML	-	12 ML	3 ML	-	16 ML	4 ML
GRC Inofita	-	4 ML	1 ML	-	4 ML	1 ML	-	4 ML	1 ML
IND Pune	-	9 ML	2 ML	-	8 ML	2 ML	-	5 ML	1 ML
IRN Factory	3 ML	15 ML	4 ML	10 ML	18 ML	7 ML	17 ML	12 ML	7 ML
IRN Teheran	-	1 ML	-	-	3 ML	-	-	3 ML	-
KOR Seoul	-	1 ML	-	-	0 ML	-	-	0 ML	-
MAR Settat	-	18 ML	4 ML	-	24 ML	5 ML	-	19 ML	5 ML
MEX Tizayuca	-	75 ML	19 ML	-	107 ML	27 ML	-	110 ML	28 ML
ROU Bucharest	18 ML	-	9 ML	20 ML	-	10 ML	17 ML	0 ML	9 ML
Russia	-	86 ML	28 ML	-	121 ML	42 ML	-	106 ML	41 ML
Spain	75 ML	1 ML	19 ML	68 ML	1 ML	17 ML	75 ML	1 ML	19 ML
THA Bangkok	-	11 ML	0 ML	-	9 ML	-	-	5 ML	-
TUR Istanbul	-	12 ML	3 ML	-	16 ML	9 ML	-	23 ML	18 ML
US Rancho Dominguez	-	7 ML	2 ML	-	11 ML	3 ML	-	4 ML	1 ML
ZAF Chipkins	-	-	-	-	18 ML	-	-	15 ML	-
<b>TOTAL</b>	<b>642 ML</b>	<b>578 ML</b>	<b>352 ML</b>	<b>473 ML</b>	<b>711 ML</b>	<b>257 ML</b>	<b>467 ML</b>	<b>685 ML</b>	<b>289 ML</b>

GRI 306 Effluents and Waste					
GRI	Indicator in ML (Megaliters = 1 million liters)	Year 2016	Year 2019	Year 2020	Explanation
<b>Water discharge by quality and destination (306-1)</b>					
306-1-a-i-ii	i. Surface water	749 ML	758 ML	723 ML	<p>12 production sites discharge directly to surface water.</p> <p>*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 ponds in Brazil and Iran have been put in place in 2020.</p> <p>*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.</p> <p>*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. We have an on-going CAPEX project to reuse our water discharge for low grade cleaning application that will save 30% of the site water withdrawn.</p> <p>*In case of Mexico site we only have a primary treatment and we have an on-going CAPEX project to build a secondary and tertiary treatment to ensure our water discharge is safe for the environment. In a second phase we plan to reuse our water discharge for low grade application like cooling tower, cleaning activity or landscaping.</p>
306-1-a-i-ii	ii. Groundwater	13 ML	21 ML	22 ML	<p>1 site discharge directly to groundwater in Iran.</p> <p>Full wastewater treatment with primary and secondary treatment including aerobic and anaerobic reactor. The average discharge is less than 100 mg/l of COD.</p>
306-1-a-i-iv	v. Third-party water	479 ML	600 ML	609 ML	<p>47 production sites discharge to city sewer.</p> <p>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.</p>
306-1-a	Water discharge to all destinations	1.241 ML	1.379 ML	1.354 ML	59 production sites reporting or estimated discharge.
306-1-a-i	Water discharge to Freshwater category	762 ML	779 ML	745 ML	12 production site, sum discharge to surface water and groundwater
306-1-a-i	Water discharge to Other water categories	479 ML	600 ML	609 ML	Discharge to city sewer (third-party water)

GRI 102-56

### **Assurance statement**

A third-party organisation, Deloitte, was engaged by Puratos to provide limited assurance for the 2020 sustainability report. This process aims to provide assurance to our stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

**Deloitte.**



#### **Puratos Group NV/SA**

Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document “Annual report 2020 – Sustainability” of Puratos Group for the year ended 31 December 2020

**Puratos Group NV/SA** | Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document “Annual Report 2020 - Sustainability” of Puratos Group for the year ended 31 December 2020

## Assurance report of the statutory auditor on the limited review performed on a selection of non-financial performance indicators published in the document “Annual report 2020 – Sustainability” of Puratos Group for the year ended 31 December 2020

To the board of directors

Pursuant to your request and in our capacity of statutory auditor, we have been engaged to perform limited review procedures aimed at expressing a limited assurance conclusion on a selection of non-financial performance indicators (the “Non-Financial Data”) published in the document “Annual Report 2020 - Sustainability” of Puratos Group (“Puratos”) for the year ended 31 December 2020. The Non-Financial Data have been defined following the *Global Reporting Initiative* (GRI) standards. The Non-Financial Data have been selected by Puratos management and are as follows:

### *Health and Well-Being*

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

### *Food Safety and Quality*

- GFSI acknowledged certification standards
- Golden Unicorn standard

### *Leader in Innovation*

- Health & Well-being products sold

### *Responsible Sourcing*

- Cocoa sourced in sustainable way
- Cocoa-Trace programme

### *Planet*

- CO2 emissions Scope 1
- CO2 emissions Scope 2
- Electricity
- Natural Gas
- Diesel
- LPG
- Heavy fuel
- Energy and CO2 efficiency & project
- Water usage and efficiency & project

### *People*

- Training days
- Accident
- HR Bilan

### *Communities*

- Student employment
- Cacao Trace farmer

The scope of our work has been limited to the Non-Financial Data covering the year mentioned here above and including only the values retained within the scope of reporting defined by Puratos. Our conclusion as formulated below covers therefore only these Non-Financial Data and not all information included in the Annual Report 2020 - Sustainability.

### **Responsibility of the board of directors**

The board of directors of Puratos is responsible for the Non-Financial Data and the references made to it as presented in the Annual Report 2020 – Sustainability.

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





**Puratos Group NV/SA** | Assu  
indicators published in the dc

**Nature and scope of oi**

Our responsibility is to

We conducted our wo  
"Assurance Engagemen  
these are defined by th  
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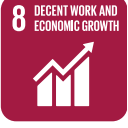
Our procedures are aim

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## Sustainable Development Goals (SDGs)

		Communities	Responsible sourcing	Environment	People	Heritage	Healthy and Quality Products	Reference
<b>End poverty</b> 	1.1. By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.	✓						
	1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	✓						
	1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.	✓			✓			
	1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure a climate-related extreme events and other economic, social and environmental shocks and disasters.	✓						
	<hr/>							
<b>End hunger</b> 	2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	✓	✓					
	2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	✓	✓					
	2.5. By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed						✓	
<hr/>								
<b>Good health &amp; well-being</b> 	3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.				✓			
	3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.		✓		✓			

## Sustainable Development Goals (SDGs)

		Communities	Responsible sourcing	Environment	People	Heritage	Healthy and Quality Products	Reference
<b>Quality Education</b> 	4.3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	✓		✓			
	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	✓		✓			
	4.5	By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	✓		✓			
	4.7	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	✓	✓	✓			
<b>Clean Water and Sanitation</b> 	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	✓	✓				
	6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	✓	✓				
<b>Affordable and Clean energy</b> 	7.3	By 2030, increase substantially the share of renewable energy in the global energy mix.		✓	✓			
	7.4	By 2030, double the global rate of improvement in energy efficiency.		✓	✓			
<b>Decent Work and Economic Growth</b> 	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	✓	✓	✓			
	8.6	By 2020, substantially reduce the proportion of youth not in employment, education or training.	✓		✓			
	8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.			✓			
<b>Industry, Innovation and Infrastructure</b>	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. CO <sub>2</sub> emissions per unit of value added.			✓			



## Sustainable Development Goals (SDGs)

		Communities	Responsible sourcing	Environment	People	Heritage	Healthy and Quality Products	Reference
<b>Responsible Production and Consumption</b> 	12.2. By 2030, achieve the sustainable management and efficient use of natural resources.		✓	✓				
	12.3. By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.		✓	✓				
	12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.			✓	✓			
	12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.				✓			
	12.9. By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature			✓			✓	
<b>Climate action</b> 	13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning							
<b>Life on land</b> 	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.		✓	✓				
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species		✓	✓				
<b>Partnerships for the goals</b> 	17.2 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies and partnerships.		✓	✓				

*Global Initiative Reporting (GRI) Index - continued*

		Location	Page
102-50	Reporting period	Appendixes and front cover	Page 80 Front cover page of this report
102-51	Date of most recent report		May 2020
102-52	Reporting cycle		Annual
102-53	Contact point for questions regarding the report	Appendixes Back cover	Page 80 Page 108
102-54	Claims of reporting in accordance with the GRI standards	Appendix	Page 80
102-55	GRI Content Index	Appendix	Page 102-105
102-56	External assurance	Appendix	Page 95-98
<b>Specific indicators - Highly material topics</b>			
<b>GRI 400: Social Standards</b>			
<b>GRI 403: Occupational health and safety (material topic: Employee health and safety)</b>			
103-1	Explanation of the material topic and its Boundary	People Appendix	Page 61 Page 81-83
103-2	The management approach and its components	People	Page 61-65
103-3	Evaluation of the management approach	People Appendix	Page 61-65 Page 107
403-1	Occupational health and safety management system	People	Page 61-65
403-2	Hazard identification, risk assessment, and incident investigation	People	Page 61-65
403-3	Management approach disclosures: Occupational health service	People	Page 61-65
403-4	Management approach disclosures: Worker participation, consultation, and communication on occupational health and safety	People	The Company strongly encourages its employees to participate in Health and Safety definitions and strategies; locally as members of small site committees or through their leaders (N+1) or HR business partners. Globally through a representative group of factory managers, H&S managers, regional directors and group H&S manager that contribute to creating a Puratos healthy and safe work environment.
403-5	Worker training on occupational health and safety	People	Page 61-65
403-6	Promotion of worker health	People	Page 61-65
403-7	Management approach disclosures: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Healthy and Quality Products Responsible Sourcing	Page 16-18 Page 28-29
403-9	Work-related injuries	People Appendix	Page 61-65 Page 107 We track the LTIR on Group level. For the other indicators, we are already keeping track of some reports but at this point in time they are not enough detailed to give accurate numbers. Formal reporting guidelines will be sent to the countries as from 2021.

		Location	Page
<b>GRI 413: Local Communities</b>			
103-1	Explanation of the material topic and its Boundary	Appendix Our Communities	Page 81-83 Page 68
103-2	The management approach and its components	Our Communities	Page 68-71
103-3	Evaluation of the management approach	Our Communities Appendix	Page 68-71 Page 107
Own indicator	Students graduated from bakery school and employed	Appendix	Page 107 Bakery Foundation Annual Report
Own indicator	Chocolate bonus distributed	Appendix	Page 107 The Next Generation Cacao Annual Report
<b>GRI 416: Customer Health and Safety</b>			
103-1	Explanation of the material topic and its Boundary	Healthy and Quality Products Appendix	Page 19 Page 81-83
103-2	The management approach and its components	Healthy and Quality Products	Page 19-22
103-3	Evaluation of the management approach	Healthy and Quality Products Appendix	Page 19-22 Page 106
416-2	Incidents of non-compliance concerning the health and safety impact of products and services.	Healthy and Quality Products	Page 20-21
Own indicator	Percentage of Puratos products produced at Puratos facilities certified by one of the GFSI standards	Healthy and Quality Products Appendix	Page 19 Page 106
Own indicator	Number of countries with Puratos operations that acquired the Golden Unicorn	Healthy and Quality Products	Page 19
<b>Sustainable Innovation and Development (Own topic)</b>			
103-1	Explanation of the material topic and its Boundary	Healthy and Quality Products Appendix	Page 23 Page 81-83
103-2	The management approach and its components	Healthy and Quality Products	Page 23-26
103-3	Evaluation of the management approach	Healthy and Quality Products Appendix	Page 23-26 Page 106
Own indicator	Increase in H&W products sold	Healthy and Quality Products Appendix	Page 23 Page 106
<b>Nutritional value of food (Own topic)</b>			
103-1	Explanation of the material topic and its Boundary	Healthy and Quality Products Appendix	Page 16 Page 81-83
103-2	The management approach and its components	Healthy and Quality Products	Page 16-18
103-3	Evaluation of the management approach	Healthy and Quality Products	Page 16-18
Own indicator	Use of fruit, grains and seeds	Healthy and Quality Products Appendix	Page 16 Page 106
Own indicator	Use of fat, salt and sugar	Healthy and Quality Products Appendix	Page 16 Page 106

*Global Initiative Reporting (GRI) Index - continued*

		Location	Page
<b>Additional GRI Indicators</b>			
<b>GRI 300: Environmental Standards</b>			
<b>GRI 302: Energy</b>			
302-1	Energy consumption within the organization	Appendix	Page 85
302-3	Energy intensity	Appendix	Page 86
302-4	Reduction of energy consumption	Appendix	Page 86
<b>GRI 303: Water</b>			
303-3	Water withdrawal	Appendix	Page 91, 106
303-4	Water discharge	Appendix	Page 91, 92
303-5	Water consumption	Appendix	Page 92
<b>GRI 305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	Appendix	Page 86, 106
305-2	Energy indirect (Scope 2) GHG emissions	Appendix	Page 87, 106
305-3	Other indirect (Scope 3) GHG emissions	Appendix	Page 87-88
305-4	GHG emissions intensity	Appendix	Page 90
305-5	Reduction of GHG emissions	Appendix	Page 90
<b>GRI 400: Social Standards</b>			
<b>GRI 404: Training and education</b>			
404-1	Average hours of training per year per employee	People	Page 57-60 We currently do not measure training hours by gender/employee category, but are working to do so for the next report.
404-2	Programmes for upgrading employee skills and transition assistance programmes	People	Page 43-46
404-3	Percentage of employees receiving regular performance and career development reviews	People Appendix	Page 59 Page 107



## Key performance indicators

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

Pillar	Commitment/Goals	2016	2017	2018	2019	2020
Healthy and Quality Products	<b>Health performance</b>					
	Tons of fat removed from our products	3.097 T	4.862 T	7.187 T	7.238 T	7.172 T
	Tons of salt removed from our products	388 T	301 T	265 T	223 T	104 T
	Tons of sugar removed from our products	287 T	379 T	679 T	769 T	681 T
	<b>Well-Being performance</b>					
	Tons of fruits processed into our fruit fillings	-	+9%	+15%	+4%	+2%
	Tons of grains and seeds used in our product solutions	-	0%	+12%	-1%	+8%
	<b>Food safety performance</b>					
	Percentage of Puratos facilities certified according to one of the GFSI standards	73%	87%	89%	94%	96,5%
	<b>Leader in innovation performance</b>					
Tons sold of Health & Well-Being products	-	-	-	20,70%	23,12%	
Responsible Sourcing	<b>Cocoa performance</b>					
	% of cocoa purchased in a sustainable way	-	19%	26,30%	26,64%	26,67%
	% of cocoa purchased through our audited Cacao-Trace program	-	-	10,58%	9,17%	9,89%
Environment	<b>Energy performance</b>					
	Total emission	106.090 tCO <sub>2</sub> e	110.667 tCO <sub>2</sub> e	99.063 tCO <sub>2</sub> e	95.759 tCO <sub>2</sub> e	87.220 tCO <sub>2</sub> e
	GHG Scope 1	65.498 tCO <sub>2</sub> e	67.534 tCO <sub>2</sub> e	70.074 tCO <sub>2</sub> e	71.869 tCO <sub>2</sub> e	68.607 tCO <sub>2</sub> e
	GHG Scope 2	40.591 tCO <sub>2</sub> e	43.134 tCO <sub>2</sub> e	28.990 tCO <sub>2</sub> e	23.889 tCO <sub>2</sub> e	18.613 tCO <sub>2</sub> e
	Renewable energy used	0 MWh	136 MWh	78.266 MWh	99.741 MWh	104.541 MWh
	<b>Water performance</b>					
	Water withdrawal	1.678 ML	1.770 ML	1.806 ML	1.808 ML	1.793 ML
Total water consumption	438 ML	475 ML	451 ML	429 ML	439 ML	
Heritage	<b>Sourdough performance</b>					
	Storage of sourdoughs in physical library	93	103	115	125	131
	Storage of sourdoughs in virtual library	678	1.094	1.441	1.700	1.900

*Key performance indicators - continued*

Pillar	Commitment/Goals	2016	2017	2018	2019	2020	
People	Human capital development*						
	Total headcount	7.649	8.511	9.011	9.370	9.318	
	Female permanent employees	-	-	-	-	2.482	
	Female temporary employees	-	-	-	-	158	
	Male permanent employees	-	-	-	-	6.360	
	Male temporary employees	-	-	-	-	318	
	APMEA permant employees	-	-	-	-	2.238,8	
	APMEA temporary employees	-	-	-	-	216	
	BeOps permant employees	-	-	-	-	820	
	BeOps temporary employees	-	-	-	-	28	
	HQ permant employees	-	-	-	-	488,5	
	HQ temporary employees	-	-	-	-	11	
	Cocoa permant employees	-	-	-	-	78,5	
	Cocoa temporary employees	-	-	-	-	15	
	F&F permant employees	-	-	-	-	2	
	F&F temporary employees	-	-	-	-	0	
	N&EEU permant employees	-	-	-	-	1.793	
	N&EEU temporary employees	-	-	-	-	71	
	NAM permant employees	-	-	-	-	1.300,7	
	NAM temporary employees	-	-	-	-	13	
	SAM permant employees	-	-	-	-	926,5	
	SAM temporary employees	-	-	-	-	97	
	SEU permant employees	-	-	-	-	1.194	
	SEU temporary employees	-	-	-	-	25	
		% of female employees received regular performance and career development reviews	100%	100%	100%	100%	100%
		% of male employees received regular performance and career development reviews	100%	100%	100%	100%	100%
		Health and Safety					
		The number and rate of fatalities as a result of work-related injuries	0 0	0 0	0 0	0 0	0 0
		The number and rate of high-consequence work-related injuries (excluding fatalities)	81 1,05	87 1,09	88 0,96	71 0,75	79 0,84
		The number and rate of recordable work-related injuries	-	-	200 2,17	199 2,11	184 1,96
		The main types of work-related injury	-	-	Slip, Trip & Falls	Slip, Trip & Falls	Slip, Trip & Falls
		The number of hours worked	15.593.788	15.925.550	18.412.824	18.854.779	18.769.820
	Attract & retain talent						
	number of countries who participated in the employment satisfaction survey	-	-	41	61	76	
Communities	Bakery Schools						
	Students graduated and employed	16	38	79	100	129	
	Next Generation Cacao						
	Chocolate bonus distributed	-	177.638 €	288.000 €	382.496 €	453.675 €	

\* Our HR Markt 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)

Name of the organization	Puratos Group NV
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