

Annual Report 2022



CONTENT

1. Cacao-Trace reporting	
Overview of Cacao-Trace	04
Vision / differentiation	09
Audit	11
KPI	13
Cacao-Trace approach to address the cocoa supply chain key challenges	29
Objectives 2025 and 2030	34
2. Highlights 2022	
Puratos chairman visit to Côte d'Ivoire and Cameroon	36
Agroforestry projects	37
Mati Cacao Fiesta	38
New Cacao-Trace program & product innovation	38
Tikul	40
Congo on the horizon.....	41
My Cacao-Trace.....	41
3. Next Generation Cacao Foundation	
The Next Generation Cacao Foundation (NGCF)	44
Vision of the Next Generation Cacao Foundation	44
The Chocolate Bonus distribution mechanism	45
The Next Generation Cacao Foundation's sources of income	45
History and long term objectives	45
Geographical presence	49
Application of the 2022 Chocolate Bonus	51
Conclusions and outlook	57
Governance	58
Financial report.....	60

01



Cacao-Trace Reporting

Overview of Cacao-Trace

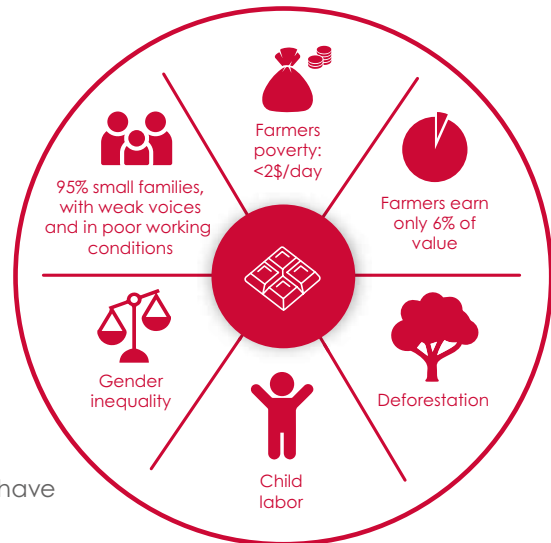
WHY CACAO-TRACE

At Puratos we've been developing delicious tasting chocolates since 1988 through our 3 brands Belcolade, Carat and Chocolanté.

Yet since 2 decades, the taste of chocolate is jeopardized by damaging images like reports on chocolate being linked to farmer poverty, imbalance in profit share, deforestation, child labor, poor working conditions and women inequality.

If we want to continue enjoy eating chocolates, we have to effectively address these issues.

That's why we created Cacao-Trace that goes beyond industry practices in addressing cocoa chain issues.



Bernardita Ancero, Sawata, Philippines

"It's really life-changing. Our everyday life has been better because of Cacao-trace. I've sent my grandchildren to school. I have helped my children produce their own cacao."

CACAO-TRACE: A GAME-CHANGING APPROACH TO SUSTAINABLE COCOA SOURCING

At Puratos, we are building a better future for cocoa **with a game-changing strategy.**

With Cacao-Trace, we master the fermentation process to ensure our chocolate and cocoa-based products have a **Great Taste. Doing Good** is our focus so Cacao-Trace farmers benefit from the value created in the program.

Cacao-Trace stands for: GREAT TASTE, DOING GOOD.

DOING GOOD is the purpose, while GREAT TASTE is the tool to fulfilling the purpose.

GREAT TASTE

Our GREAT TASTE strategy is implemented in 2 phases.

The first is **identifying and contracting** with a farmer community. This starts with:

- Selecting a farmer community, then;
- Building a Post-Harvest Center (PHC), an investment within the community that is the symbol of our commitment;
- Committing to source from the community members and to buy 100% of community member's volume with a price premium on a yearly basis;
- Training the farmers in good agricultural practices (GAP) and quality wet beans delivery.



Select the community



Commit & contract



Build Post-Harvest Center



Train the farmers

The second phase is **implementing the superior taste creation**. This is based on the following 4 criteria:

- Buy high-quality wet beans supplied by the farmers;
- Use professional equipment and tools like the post-harvest centers, wooden box fermenters, efficient sun dryers;
- Develop and implement fermentation and drying processes;
- Capitalize on our unique fermentation expertise ran by well-trained professional "Master fermenters" who can rely on Puratos' long-term fermentation expertise in Bakery.



Our great taste strategy results into an incomparable network of 27 PHC in 7 countries

DOING GOOD

Our DOING GOOD strategy is based on 3 mechanisms and 4 commitments:

Cacao-Trace's 3 mechanisms for DOING GOOD

- The first mechanism for **Doing Good** is **Quality premium**. With the **quality premium** we reward Cacao-Trace farmers for the high-quality beans they deliver to the post-harvest centers.



- The second mechanism for **Doing Good** is **Chocolate Bonus**. For every kg of Cacao-Trace chocolate sold, we charge our customers 10 Eurocents. We collect this money and send it back 100% to cocoa farmers. 17% of the total of the collected Chocolate Bonus is paid in cash, directly to the farmers in countries with basic living conditions fulfilled. The remaining 83% of the Chocolate Bonus is paid as community projects in countries without basic living conditions.

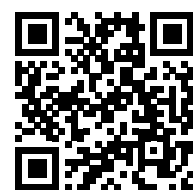


- The third mechanism is **100% volume commitment** delivered by a certified farmer-farm. Once a farmer & farm are certified, we commit to buying all their beans that match the Cacao-Trace standards, without any influence of market demand such as the current market declining conditions. This guarantees their revenue.



Franz Kasser – Amelie Chocolaterie, Germany

"I had never tasted chocolate that was really good where I could say, yes, that's what I expect from taste. But with Cacao-Trace, my expectation has been met."



Cacao-Trace's 4 Commitments for DOING GOOD

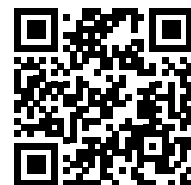
Our commitment toward key stakeholders for a prosperous cocoa chain for all, aims at resulting into:

- Better lives for **farmers**. Our main focuses here are:
 1. Increasing their revenue,
 2. Supporting better education in the communities with school infrastructures buildings and
 3. Supporting better health with building health centers and providing drinkable water to the communities
- Better **planet** thanks to agro-forestry inclusion in the program that aim at planting 3,440,000 trees by 2030 for planet resiliency;
- Better business for our **customers** as sustainability branded products grow faster and offer premium price, we give to our customers the opportunity of offering a superior tasting chocolate with strong sustainability values and with tangible impact to leverage their business while linking directly to farmers and communication;
- Better **consumer** mindset thanks to superior tasting chocolate they can enjoy with peace of mind, knowing it's produced under strong care for people and planet).



Toussaint Claessens – The Chocolate Company, the Netherlands

"We refer the story largely to the website. It is stated on the new packaging. We have placed the certificates in the stores. The whole story has to be right, and that's the case here."





Great Taste Doing Good

Vision / differentiation

With Cacao-Trace we fully support the 17 Sustainable Development Goals set by the United Nations. 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 that is part of our supply chain can contribute to the realization of the SDG's.

The below chart aims to explain how Cacao-Trace is contributing to the SDG's. In order to have the picture of Cacao-Trace SDG impact, it is important to consider the synergies with the concrete actions and realization of the Next Generation Cacao Foundation and its specific additional contribution to SDG's which is further detailed in the dedicated part (page 48).





1. No poverty

With Cacao-Trace we brought to life an integrated sustainable cocoa program. A package of initiatives (including education, training, fair and premium pricing) is aiming at creating a better life for farmers. A central component of the Cacao-Trace program is to work on farmer income which is in our view at the origin of most of the issues related to cocoa supply chain.



3. Good Health and Well-Being

With the Cacao-Trace program, we conduct a health and safety risk assessment on our supply chain and elaborate a local action plan to ensure compliance with our standards.

Health and wellbeing training modules are gradually rolled out in the Cacao-Trace cocoa supply chain.



8. Decent work and economic growth

With Cacao-Trace our investment in local fermentation centers and our long-term volume engagement principle, is bringing stability in rural areas. This approach enables both Puratos and Cacao-Trace farming communities to engage in a long-term development dynamic.



9. Industry, Innovation, and Infrastructure

Cacao-Trace innovates by putting quality at the heart of its added value approach. This is reached through out Puratos continuous investment in post harvest infrastructure.



12. Responsible consumption and production

Waste stream management and if possible valorization is a key priority of Cacao-Trace, we are actively working towards the development of regenerative agriculture concepts applied to cocoa production. Next to that, we are exploring ways to valorize cocoa waste into animal and even human food production.



13. Climate action

By compensating our CO₂ emissions through a "Carbon in setting program" within our own cocoa supply chain, we intend to further decrease our carbon footprint and support cocoa producers in building more climate smart - resilient farms. Today we are already active in 6 Cacao-Trace programs with an agro-forestry project and aim at planting 3,4 million of trees by 2030.



17. Partnerships for the goals

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

**Raphael
Audoin-
Rouzeau,
Global Cocoa
Sourcing
Manager**



"Over the past 14 years, I have worked to develop this unique program. Starting with a pilot project in the Mekong Delta in Vietnam, I am delighted with the scale we have achieved and the impact we continuously deliver to the farming communities of Cacao-Trace. The journey continues and our goal becomes stronger every day."

Audit

Cacao-Trace standard and Auditing process

The Cacao-Trace standard is based on a three-year verification cycle including an initial verification audit, surveillance audits in the following two years, and a re-verification audit in the fourth year prior to expiration of the verification statement. The auditing process is the base of the certification of the Cacao-Trace ingredients. It is an important commitment to have an external audit which gives non-biased feedback and ensures high quality is delivered at all levels. It is in this way that we consistently challenge ourselves and our partners. The certification is performed with reference to the latest available Cacao-Trace Standard. Cacao-Trace programs are globally audited by Control Union. The goal of this partnership for Puratos & Belcolade is to ensure high and consistent level of audit in all our programs.

<https://certifications.controlunion.com/en>

The Cacao-Trace Standard is following a strict and dynamic continuous improvement process. The evolutions are guided by several elements:

- Puratos ground program direct implementation learnings.
- Suggestions from our external auditors.
- Third party sustainability due diligence.
- Evolution of sustainable markets & civil society priorities.
- International instances around cocoa and sustainability that Puratos has joined such as The Cocoa Forest Initiative ('CFI'), the World Cocoa Foundation ('WCF') and Beyond Chocolate.

Permanent improvement of the Cacao-Trace standard was needed to address further the social and environmental challenges that the cocoa supply chain is facing. That is why in December 2020 the Cacao-Trace standard Version 6 was released. It includes, amongst other, additional requirements such as:

- The Establishment of a Specific Cacao-Trace Grievance procedure under Principle 1 Legal responsibility.
- The protection of indigenous people rights under Principle 4 Social responsibility.
- A reworked Environmental regulation and conservation requirement under Principle 7 Environment.

Both the Standard V6 and the Grievance procedure are available on the Puratos website.



Lola Hernandez

"I am very proud to be part of a project like Cacao-Trace which brings meaning to our everyday lives. I like to work hand in hand with the field teams in order to improve the quality of life of the communities with the construction of schools, maternity wards, and access to drinking water."

Cacao-Trace Standard is applied at 3 levels

Depending on the context, the Organization of the supply chain can vary. Puratos has identified three main levels:

Level	Definition
Entity	A business unit that oversees the organization and management of implementing the Cacao-Trace Standard. The business unit can be Puratos Headquarters or any of its subsidiaries or chosen external partners. If responsibility for one supply chain is shared between more than one unit, the Internal Management Committee (IMC) should include representatives from all respective units.
Post-Harvest Unit	A unit where the cocoa post-harvest process (from the pods /wet beans to the dry beans) takes place. This unit can either be a large to medium scale processing unit or a small-scale collector and fermenter.
Production Unit	A unit that is growing Theobroma trees and producing cocoa pods. In some countries, production units can also take over the post-harvest process. In this case, they deliver dry beans to Puratos or an affiliated partner in the Cacao-Trace supply chain.

The Cacao-Trace Standard has 7 principles

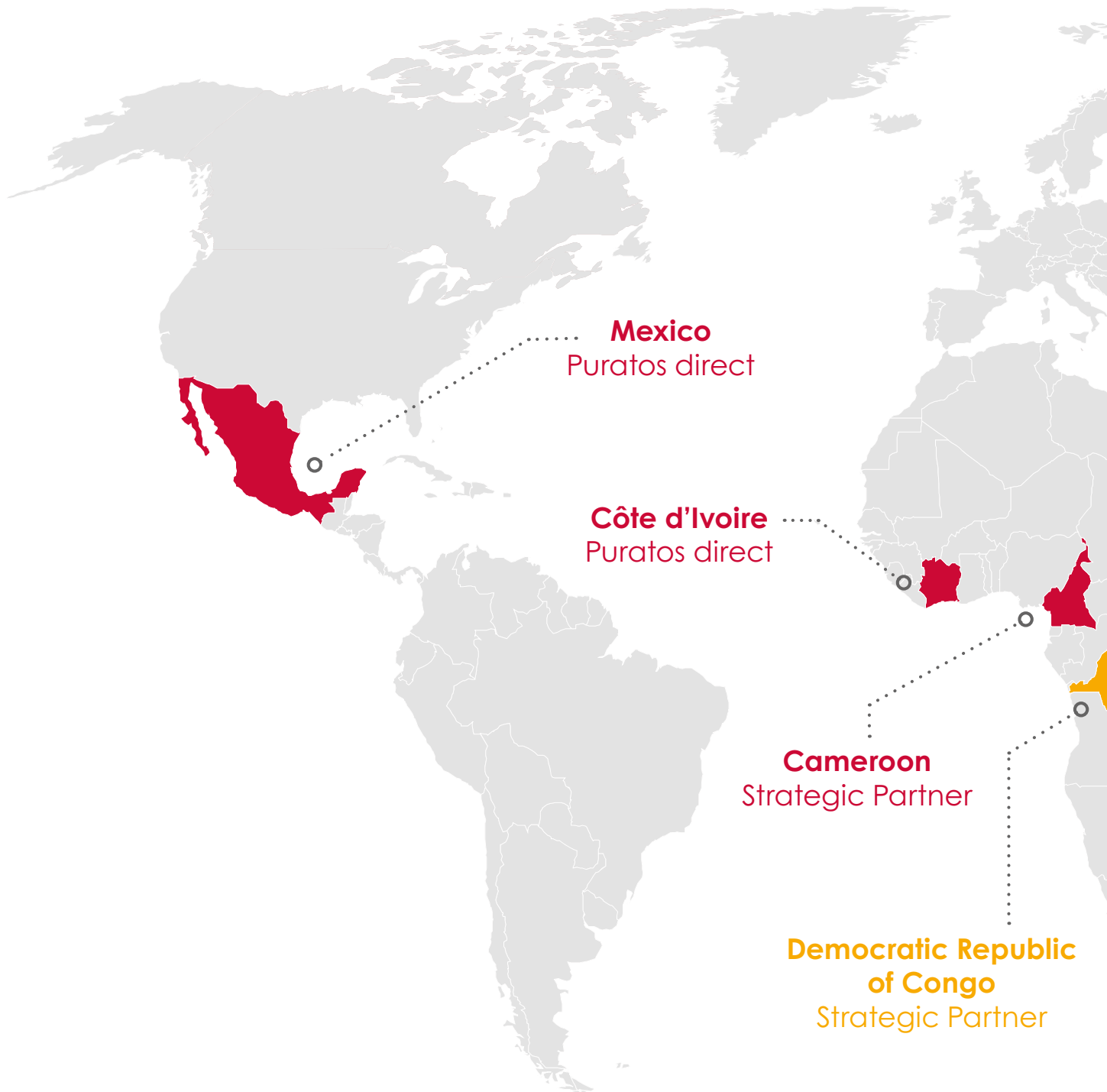
More than 60 Requirements are grouped into 7 principles, which are applied at the 3 levels defined above.

- 1 Legal Responsibility and Management
- 2 Quality and Traceability
- 3 Economic Responsibility
- 4 Social Responsibility
- 5 Health and Safety
- 6 Best Agricultural Practices
- 7 Environmental responsibility

KPI

At the end of 2022 Cacao-Trace counted 7 active programs

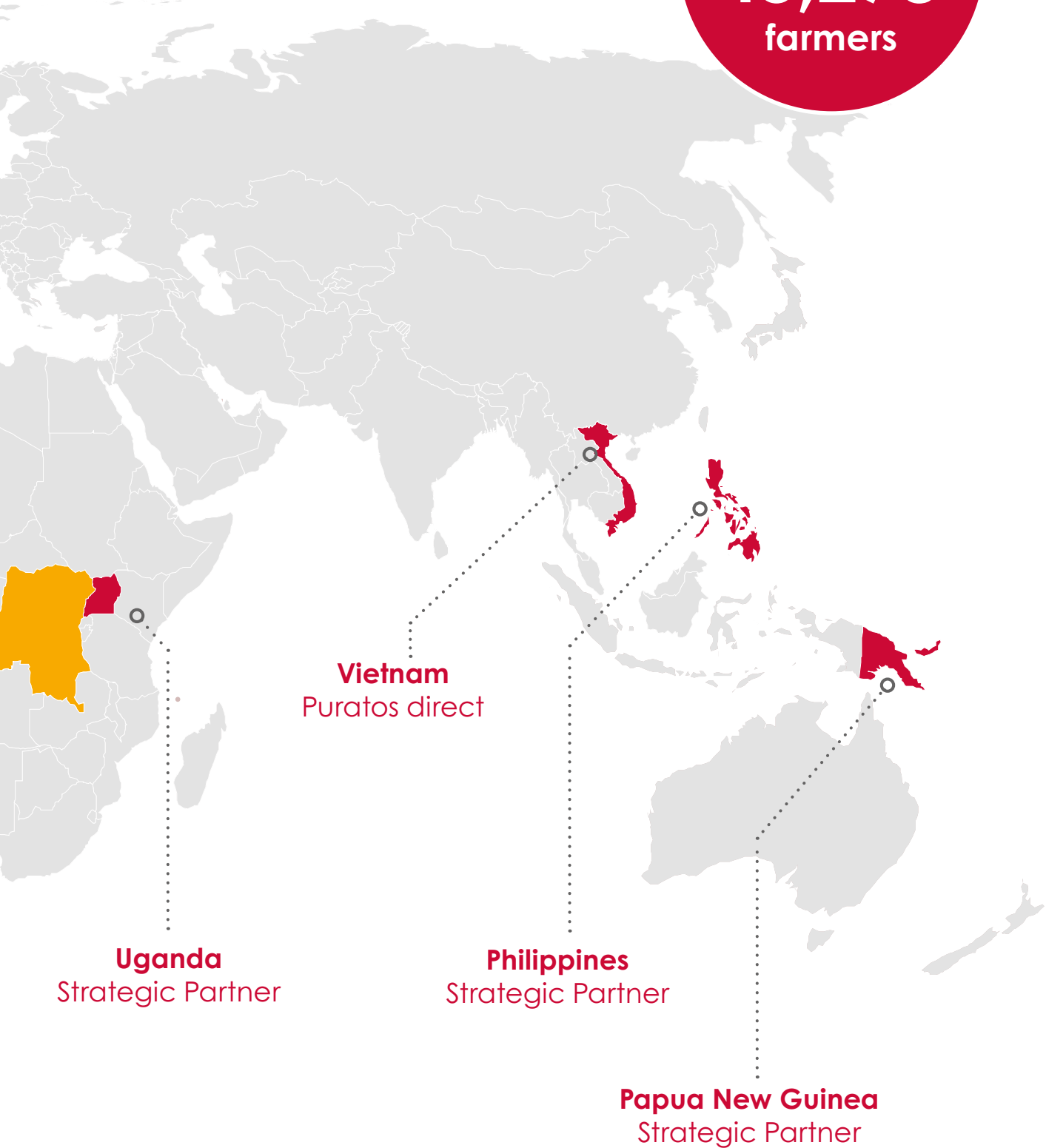
We are currently deploying the Cacao-Trace initiative in Vietnam (2014), in Côte d'Ivoire (2015), in the Philippines (2017), in Mexico (2018), in Uganda (2018), Papua New Guinea (2018) and Cameroon (2020).



LEGEND

- Cacao-Trace country
- Cacao-Trace country in transition

Reaching
about
15,273
farmers





CAMEROON

In 2022 we have managed to significantly work toward the points of improvement we had identified during our external audit 2021: the document flows, the quality, and the traceability aspect today are robust. Together with our partners on the ground, we have been able to improve the financing flows allowing the Cacao-Trace cooperatives growth in volume and in number of members.

Unfortunately, we had to discontinue the collaboration with the Simanyai cooperative due to low commitment from the farming community and the cooperative in addition to repeated non-compliance. The cooperative was replaced in the program by the Zoetele cooperative.

The program is now engaged exclusively with 5 young cooperatives producing fine Trinitario types of cocoa. The 5 cooperatives include:

- SOCOOLAMOCAM COOP-CA located in Lembe-Yezoum
- NG-NGORO COOP-CA located in Ngoro
- SOCOPROCANYK COOP-CA located in Simanyai
- SOCOOPEC-N COOP-CA located in Ntui
- ZUÉTÉLÉ located in Simanyai

Each of these 5 cooperatives is structured around a post-harvest center fully equipped to deliver high quality Trinitario cocoa. Initial funding for these 5 centers was provided by the CICC (Conseil interprofessionnel du café et du cacao) as part of its New Generation program.

All volumes from this program are dedicated to a special project in partnership with the French artisanal chocolatiers' initiative "Chocolatiers Engagés" who aim to contribute to improving the cocoa growers living conditions. The program on the ground is specifically supporting new generations of cocoa farmers.

The point of focus in 2023 will be to reinforce the agronomic support at farm level and build up further the environment pillar.



CACAO-TRACE PROGRAM

INITIAL YEAR 2020	MASTER CT FERMENTATION CENTERS 4	TOTAL INVESTMENT – IN CENTERS
	EXPERTS & TRAINERS 3	% TRAINED FARMERS 100%
	DIRECT FULL-TIME JOBS 8	WOMEN FULL-TIME JOBS 0
CACAO-TRACE CERTIFICATION %		
2021	85%	2022 89%

FARMER COMMUNITY

TOTAL FARMERS	310
AVERAGE FARM SIZE HA	4
TRACEABILITY TO FARM	100%
DIGITAL MAPPING	N/A
CLMRS	N/A

COCOA BEAN

CT VOLUME 2022 (VOLUME/MT)	108MT	FERMENTATION METHOD	DRYING METHOD	VARIETY: TRINITARIO	SENSORY FLAVOUR PROFILE CATEGORIES
% FERMENTED IN CT CENTERS	100%				
% FERMENTATION BY TRAINED CT FARMERS	–				

ECONOMIC IMPACT



MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT	€1,524	AVERAGE FARMER QUALITY PREMIUM PAID/MT €457
MINIMUM PRICE (APPLIED OR NOT)	YES	CHOCOLATE BONUS/KG €0.10
	TOTAL CHOCOLATE BONUS: 2021 €9,485	2022 €3,841
	DISTRIBUTION: COMMUNITY PROJECT	

ENVIRONMENTAL IMPACT

	2022
AGRO-FORESTRY	NOT INITIATED

COMMUNITY PROJECT

	2022
	NOT INITIATED

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries, Cameroon being one of them, the others being Vietnam and Mexico, and is preparing the transition to minimum price in the other sourcing countries in the coming years.



CÔTE D'IVOIRE

Puratos & Belcolade started the development of Cacao-Trace in Côte d'Ivoire back in 2015. We entered a long-term partnership with an organization of farmers from the San Pedro region, the Entreprise Coopérative de Saint Paul ('ECSP'). For seven years now the program supports Cacao-Trace communities and has concrete impact on farm conditions and farmer's life condition.

As 2021, 2022 was a big year for Cacao-Trace in Côte d'Ivoire, we have further increased our network of Cacao-Trace cooperatives to 16, thus increasing the volume we purchase in the country. Along the way we had to stop the collaboration with the cooperative COOPAGRO in Grobonou Dan. During the audits 2022, all 16 cooperatives received red flags linked to different Cacao-Trace criteria. 3 cooperatives are still implementing their corrective actions and are being actively followed up on. The audit cycle will be adjusted to March-June in 2023 before volumes are committed in the main harvest.

You will find below the list of cooperatives we are sourcing from in the country as from main crop 2022. The names in bold are the coop recently added to the program.

- COOP CA ECSP (Entreprise Cooperative de Saint Paul)
- COOP CA SCAK (Société Cooperative Agricole de Fatouakro)
- COOP CA CAGNAN (Société Agricole de Gnanpoadji)
- SOCASS COOP-CA (Société Coopérative Agricole Sabary de Sago)
- COOP-CA SCAGB (Société Coopérative Agricole de Gbagbam)
- SOCOAMO (Société Coopérative Agricole de Monogaga Carrefour)
- COOPAGRO (Société Coopérative Agricole de Grobonou Dan)
- CAEHS Coopérative Agricole Ety-Ewoun-Anien du Haut Sassandra
- SCANFI (Société Cooperative Agricole Niamkey Et Famille De L'Indenie)
- SOCAT (Société Agricole Cooperative de Tabou)
- **SCOOWEND (Société Cooperative Wend Bark)**
- **SCANG (Société Cooperative Agricole de Grabo)**
- **SCAMED (Société Cooperative Agricole pour la maîtrise de l'entraide durable)**
- **COOPAGED (Société Cooperative Garo est Divo)**
- **SCOPED (Société Cooperative Éveil de Gueyo)**
- **CAFUGO (Société Cooperative des Freres Unis Gobroko)**



**Zouzoua Digbeu
Alain**
**Responsible for
the fermentation
centers and
community projects**


"What gives me satisfaction in this Cacao-Trace program is that, at the core of its content, education and training are a priority."

Along with this deployment, Puratos invested in 7 new community fermentation centers. They became operational in the last quarter of the year. Through this investment we aim to increase and arrive back at the percentage of beans fermented in centers to the same level as previous years.

Scaling up always requires dedication and support to establish the right dynamic. In the coming year there will also be a strong effort to increase digital mapping of farms.

In 2022 we have been accelerating seriously our agro-forestry project. Côte d'Ivoire cocoa sector needs a solid transition toward a more regenerative and climate smart agricultural model and we will strongly accelerate the agro-forestry project in the coming years.

CACAO-TRACE PROGRAM

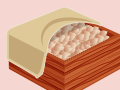
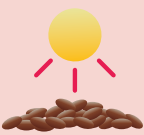


INITIAL YEAR 2015	MASTER CT FERMENTATION CENTERS 9	TOTAL INVESTMENT IN CENTERS €700,000
	EXPERTS & TRAINERS 54	% TRAINED FARMERS 100%
	DIRECT FULL-TIME JOBS 49	WOMEN FULL-TIME JOBS 2

CACAO-TRACE CERTIFICATION %	2021 85%	2022 77.5%
--------------------------------	-----------------	-------------------

FARMER COMMUNITY

TOTAL FARMERS 6,133
AVERAGE FARM SIZE HA 2.15
TRACEABILITY TO FARM 100%
DIGITAL MAPPING 75%
CLMRS 50%

COCOA BEAN

CT VOLUME 2022 (VOLUME/MT) 9,700MT	FERMENTATION METHOD 	DRYING METHOD 	VARIETY: FORASTERO 	SENSORY FLAVOUR PROFILE CATEGORIES 
% FERMENTED IN CT CENTERS 4%				
% FERMENTATION BY TRAINED CT FARMERS 96%				

ECONOMIC IMPACT



MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT €1,372	AVERAGE FARMER QUALITY PREMIUM PAID/MT €65	CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) YES	TOTAL CHOCOLATE BONUS: 2021 €769,980	2022 €1,574,035
	DISTRIBUTION: COMMUNITY PROJECT	

ENVIRONMENTAL IMPACT

	2021	2022
AGRO-FORESTRY PLANTING		PLANTING
TREES PLANTED	40,000	103,578

COMMUNITY PROJECT

- 12 WATER PUMPS (2022)
- 4,500 SCHOLARSHIP KITS (2022)
- 1 MATERNITY IN NERO BROUSSE (2022)
- 3 CLASSROOMS + 8 TOILETS IN THE DAVIDKRO COMMUNITY (2022)
- 1 RICE MILL IN PARC (2022)

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.



UGANDA

In 2022 we have increased our program size with Cacao-Trace farmers groups located in the Bundibugyo district which is at the foot of the Rwenzori Mountains in western Uganda, bordering the Democratic Republic of Congo. The cocoa beans produced in this region are mainly organic but unfermented and generally used for cocoa butter and powder making due to their high fat percentage. Through proper fermentation process, those Trinitario beans reveal unique and powerful flavors in chocolate recipes.

While growing our volumes, our key objective in 2023 will be to maintain and upgrade our quality control system. Even though our external audit shows a high level of compliance with the program standard, our latest fields assessments show that our quality requirements are not yet sufficiently clear to the 700 Farmers enrolled today in the program. With this said, in 2023 we will invest in the scale up of our fermentation and drying infrastructures.



CACAO-TRACE PROGRAM

INITIAL YEAR 2018	MASTER CT FERMENTATION CENTERS 1	TOTAL INVESTMENT IN CENTERS €86,680.50
	EXPERTS & TRAINERS 7	% TRAINED FARMERS 100%
	DIRECT FULL-TIME JOBS 11	WOMEN FULL-TIME JOBS 3
CACAO-TRACE CERTIFICATION %		
2021	98%	2022 98%

FARMER COMMUNITY


TOTAL FARMERS	700
AVERAGE FARM SIZE HA	1,16
TRACEABILITY TO FARM	100%
DIGITAL MAPPING	100%
CLMRS	100%

COCOA BEAN

CT VOLUME 2022 (VOLUME/T) 566T	FERMENTATION METHOD 	DRYING METHOD 	VARIETY: TRINITARIO FORESTARIO 	SENSORY FLAVOUR PROFILE CATEGORIES
% FERMENTED IN CT CENTERS 100%				
% FERMENTATION BY TRAINED CT FARMERS -				

ECONOMIC IMPACT

MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT €2,045	AVERAGE FARMER QUALITY PREMIUM PAID/MT €64	CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) NO	TOTAL CHOCOLATE BONUS: 2021 €16,096	2022 €52,293
	DISTRIBUTION: COMMUNITY PROJECT	



ENVIRONMENTAL IMPACT

	2021	2022
AGRO-FORESTRY TREES PLANTED	PLANTING 30,000	PLANTING 0

COMMUNITY PROJECT

--	--

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.



MEXICO

Motivated by the idea of preserving the Mexican cocoa biodiversity, Puratos also invested for the last 10 years in Criollo plantations in Yucatan. Puratos actively studies and maintains several sensitive varieties of cocoa threatened with extinction.

The Puratos Cacao-Trace program started in Mexico in 2018 with the establishment of a first post-harvest center in Comalcalco city, in the state of Tabasco. In this ancestral cocoa production area where one of the greatest diversities of cocoa varieties in the world can be found, Puratos & Belcolade are committed to preserve the tradition and encourage local communities to continue growing these challenging crops in Tabasco and Chiapas.

Puratos & Belcolade buy wet cocoa beans from small holder farmers and - as in all other Cacao-Trace programs - organize training activities adapted to local needs.

Overall great results have been achieved during the past 4 years, thanks to the continuous efforts of the local team working with the farmers in the region. The community spirit is now well established with farmers who feel part of the Cacao-Trace program. The trainings focus in particular on renovating "old and unproductive" plots, which is common in Mexico. This has allowed, in partnership with Purprojet, to plant 42,000 trees in cocoa agroforestry models. In addition, partnerships with local entities have developed over the years, we are now working in 2 new communities of producers organized in association called G8 and Granos Finos.



CACAO-TRACE PROGRAM

INITIAL YEAR
2018

MASTER CT 3
FERMENTATION CENTERS

EXPERTS & TRAINERS **6**

DIRECT FULL-TIME JOBS **41**

TOTAL INVESTMENT IN CENTERS **€520,000**

% TRAINED FARMERS **58%**

WOMEN FULL-TIME JOBS **18**

.....

CACAO-TRACE CERTIFICATION % **2020 86.9%** **2021 2022 91.7%**

FARMER COMMUNITY

TOTAL FARMERS **1,214**

AVERAGE FARM SIZE HA **2.7**

TRACEABILITY TO FARM **100%**

DIGITAL MAPPING **N/A**

CLMRS **N/A**

COCOA BEAN

CT VOLUME 2022 (VOLUME/T) **259T**

% FERMENATED IN CT CENTERS **100%**

% FERMENTATION BY TRAINED CT FARMERS **-**

FERMENTATION METHOD

DRYING METHOD

VARIETY: **TRINITARIO 80% CRIOLO 20%**

SENSORY FLAVOUR PROFILE CATEGORIES

ECONOMIC IMPACT



MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT €1,836	AVERAGE FARMER QUALITY PREMIUM PAID/MT €115	CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) YES	TOTAL CHOCOLATE BONUS: 2021 €19,385	2022 €43,327
	ADDITIONAL INCOME %: 0.9 MONTHS	0.9 MONTHS

ENVIRONMENTAL IMPACT

	2021	2022
AGRO-FORESTRY PLANTING	PLANTING	PLANTING
TREES PLANTED	39,700	40,000
420 ha OF FOREST IN YUCATAN AROUND - TIKUL PLANTATION		
CRIOLLO BIODIVERSITY CONSERVATION - TIKUL PLANTATION		

COMMUNITY PROJECT

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.



PAPUA NEW GUINEA

End of 2017, Puratos & Belcolade entered a strategic partnership with Olam Cocoa to improve cocoa farmers livelihoods and their communities by focusing on improving quality.

A member of the OLAM group, Outspan, has been operating in Papua New Guinea since 2000 and has acquired significant expertise in the management of the cocoa supply chain.

Outspan was selected as a local partner to implement Cacao-Trace. The ideas for development advocated by Cacao-Trace correspond in large measure to the Olam Livelihood Charter and Cocoa Compass.

The program was launched in 2018 in the region of East Sepik with a controlled Cacao-Trace volume which was also certified to be organic. In 2021, a select volume of the existing Cacao-Trace farmer group maintained the Fairtrade certificate.

Now in the fifth year of Cacao-Trace there is a well-established engagement with the producers and fermenters providing all around support from sun dryer equipment to trainings. Many resources went into improving farmer data capture as well as maintaining quality levels. In 2022 the borders opened again for travel and our team was able to go in person to work with our partners on quality improvements and training. 2022 also saw an expansion of the program into a new community in East Sepik, furthering our impact.



CACAO-TRACE PROGRAM

INITIAL YEAR 2018	SATELLITE CT FERMENTATION CENTERS 182	TOTAL INVESTMENT IN CENTERS €101,000
	EXPERTS & TRAINERS 33	% TRAINED FARMERS 88%
	DIRECT FULL-TIME JOBS 24	WOMEN FULL-TIME JOBS 2

CACAO-TRACE CERTIFICATION %

2021	92%	2022	98.9%
------	------------	------	--------------

FARMER COMMUNITY

TOTAL FARMERS
3,756

AVERAGE FARM SIZE HA
0.7

TRACEABILITY TO FARM
100%

DIGITAL MAPPING
100%

CLMRS
IN PROGRESS

COCOA BEAN

CT VOLUME 2022 (VOLUME/T) 749T	FERMENTATION METHOD 	DRYING METHOD 	VARIETY: TRINITARIO 	SENSORY FLAVOUR PROFILE CATEGORIES
% FERMENTED IN CT CENTERS 100%				
% FERMENTATION BY TRAINED CT FARMERS —				

ECONOMIC IMPACT

MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT €1,347	AVERAGE FARMER QUALITY PREMIUM PAID/MT €95	CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) NO	TOTAL CHOCOLATE BONUS: 2021 €69,271	2022 €123,250
	ADDITIONAL INCOME %: COMMUNITY PROJECTS	



ENVIRONMENTAL IMPACT

	2021	2022
AGRO-FORESTRY	8,474	10,644
STOP WOOD FIRE DRYING TECHNIQUES		

COMMUNITY PROJECT

- 2022 - DELAYED TO 2023
- 46 WATER HARVESTING SYSTEM – ANGORAM & YANGORU (2021)
- PRIMARY SCHOOL CLASSROOM CONSTRUCTION – ANGORAM & YANGORU (2021)

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.



PHILIPPINES

In 2017, Puratos & Belcolade concluded a strategic partnership with Kennemer Foods, an agri-food company based in the Philippines and geared to the sustainable development of cocoa production on the Island of Mindanao.

Kennemer Foods instigated the revival of the supply chain by providing innovative financing modes and fixing clear results for coconut producers in Davao.

Cocoa is now interposed with other crops and is spreading rapidly on the island.


Puratos is currently investing in three fermentation centers in the country located in Calinan, San Isidro and Mati. Cacao-Trace is committed to improving the livelihood of local communities and will continue to scale up operations to increase impact. This global development also comprises implementation of the Chocolate Bonus.

In 2022, Puratos hosted a Cacao Fiesta at the post-Harvest Center in Mati, Davao Oriental. This event was organized for the farmer community and our customers. It was paired with the Chocolate Bonus. It was a great turn out which engaged local officials and promoted planting in the Davao Oriental area. The year also saw challenges with harvest and unpredictable seasons. To address this, we have been expanding buying points and farmer support.

Some points of improvement identified during the annual audit include communicating more around the grievance procedure and making clear to the farmer the benefits of the program. These actions were taken after the audit to reinforce understanding on the ground.



CACAO-TRACE PROGRAM

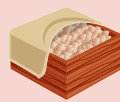



INITIAL YEAR 2017	MASTER CT FERMENTATION CENTERS 3	TOTAL INVESTMENT IN CENTERS €385,876
	EXPERTS & TRAINERS 3	% TRAINED FARMERS 100%
	DIRECT FULL-TIME JOBS 14	WOMEN FULL-TIME JOBS 5

CACAO-TRACE CERTIFICATION %	2021 80.5%	2022 77.5%
--------------------------------	-------------------	-------------------

FARMER COMMUNITY

TOTAL FARMERS	1,526
AVERAGE FARM SIZE HA	1
TRACEABILITY TO FARM	100%
DIGITAL MAPPING IN PROGRESS	
CLMRS	N/A

COCOA BEAN

CT VOLUME 2022 (VOLUME/T) 270T	FERMENTATION METHOD 	DRYING METHOD 	VARIETY: FORESTERO TRINITARIO 	SENSORY FLAVOUR PROFILE CATEGORIES 
% FERMENTED IN CT CENTERS 100%				
% FERMENTATION BY TRAINED CT FARMERS -				

ECONOMIC IMPACT

MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT €2,128	AVERAGE FARMER QUALITY PREMIUM PAID/MT €168	CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) NO	TOTAL CHOCOLATE BONUS: 2021 €39,004	2022 €42,943
	ADDITIONAL INCOME %: 1,2 MONTHS	1,2 MONTHS



ENVIRONMENTAL IMPACT

	2020	2021
AGRO-FORESTRY TREES PLANTED	PLANTING 31,800	PLANTING 37,457

COMMUNITY PROJECT

--

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.



VIETNAM

Puratos Grand-Place Vietnam has been involved in the Cacao-Trace program since 2014 and has been the initiator of this great concept. In the Mekong Delta there is full vertical integration of the supply chain from farmer training, bean buying, post-harvest process, to grinding beans into cocoa mass, all the way to the chocolate. Our team is committed to creating value for all stakeholders through high quality and flavor differentiation.

As the longest running Cacao-Trace program, Vietnam has been focusing on increasing partnerships and innovating new farming processes approaches such as closed loop models and regenerative agroforestry cocoa production. In 2021, there was a successful launch of an innovative chocolate product concept "60Days" which requires close coordination and planning of the harvest and bean supply. This product continued to grow and became a more significant portion of the volume. After a difficult 2021, the new year 2022 brought increased mobility and opportunity to reach the farmer with technical assistance and training. Through partnership with GIZ and PUR Project the farmers have received training on agroforestry and regenerative practices. The team has also started to work with a digital tool, to improve data capture and farmer technical support.




Loan Ho Thi Ngoc
Cocoa Purchasing Manager Highlands

"I have been working at Puratos Grand Place Vietnam since 2013. When I first joined, my friends told me I wouldn't last long on the job because it would be too difficult for a small girl like me. Yet 1 month passed then another and now almost 10 years later, I am still here.

The feeling of overcoming oneself and bringing joy to the farmers, bringing sustainability to the cocoa industry, bringing farmers' confidence in cocoa... it's so great!

Now, many farmers know about our company, about the difference of high quality and value of cocoa beans."

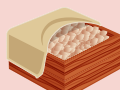
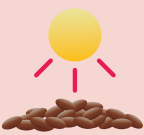


CACAO-TRACE PROGRAM

INITIAL YEAR 2013	CACAO-TRACE FERMENTATION CENTERS	2 MASTER 64 SATELLITE	TOTAL INVESTMENT IN CENTERS	€770,136
	EXPERTS & TRAINERS	5	% TRAINED FARMERS	100%
	DIRECT FULL-TIME JOBS	21	WOMEN FULL-TIME JOBS	11
CACAO-TRACE CERTIFICATION %		2021 97%	2022 94%	

FARMER COMMUNITY

TOTAL FARMERS	1,634
AVERAGE FARM SIZE HA	0.7
TRACEABILITY TO FARM	90%
DIGITAL MAPPING IN PROGRESS	
CLMRS	N/A

COCOA BEAN

CT VOLUME 2022 (VOLUME/T)	653T	FERMENTATION METHOD	DRYING METHOD	VARIETY: TRINITARIO	SENSORY FLAVOUR PROFILE CATEGORIES
% FERMENTED IN CT CENTERS	100%				
% FERMENTATION BY TRAINED CT FARMERS	—				

ECONOMIC IMPACT

MARKET *	CACAO-TRACE	
CURRENT FARM GATE PRICE/MT	€2,116	AVERAGE FARMER QUALITY PREMIUM PAID/MT €471
MINIMUM PRICE (APPLIED OR NOT)	YES	CHOCOLATE BONUS/KG €0.10
	TOTAL CHOCOLATE BONUS: 2021 €87,386	2022 €105,759
	ADDITIONAL INCOME %:	0.9 MONTHS



ENVIRONMENTAL IMPACT

	2021	2022
AGRO-FORESTRY TREES PLANTED	PLANTING 21,289	PLANTING 23,812

COMMUNITY PROJECT

--	--

* **Current Farm Gate Price** (market information) is shown for information purposes in order to quantify the relative impact of the Cacao-Trace measures.

Minimum Price: the Cacao-Trace program has already implemented a minimum price policy in three countries and is preparing the transition to minimum price in the other sourcing countries in the coming years.

Cacao-Trace approach to address the cocoa supply chain key challenges

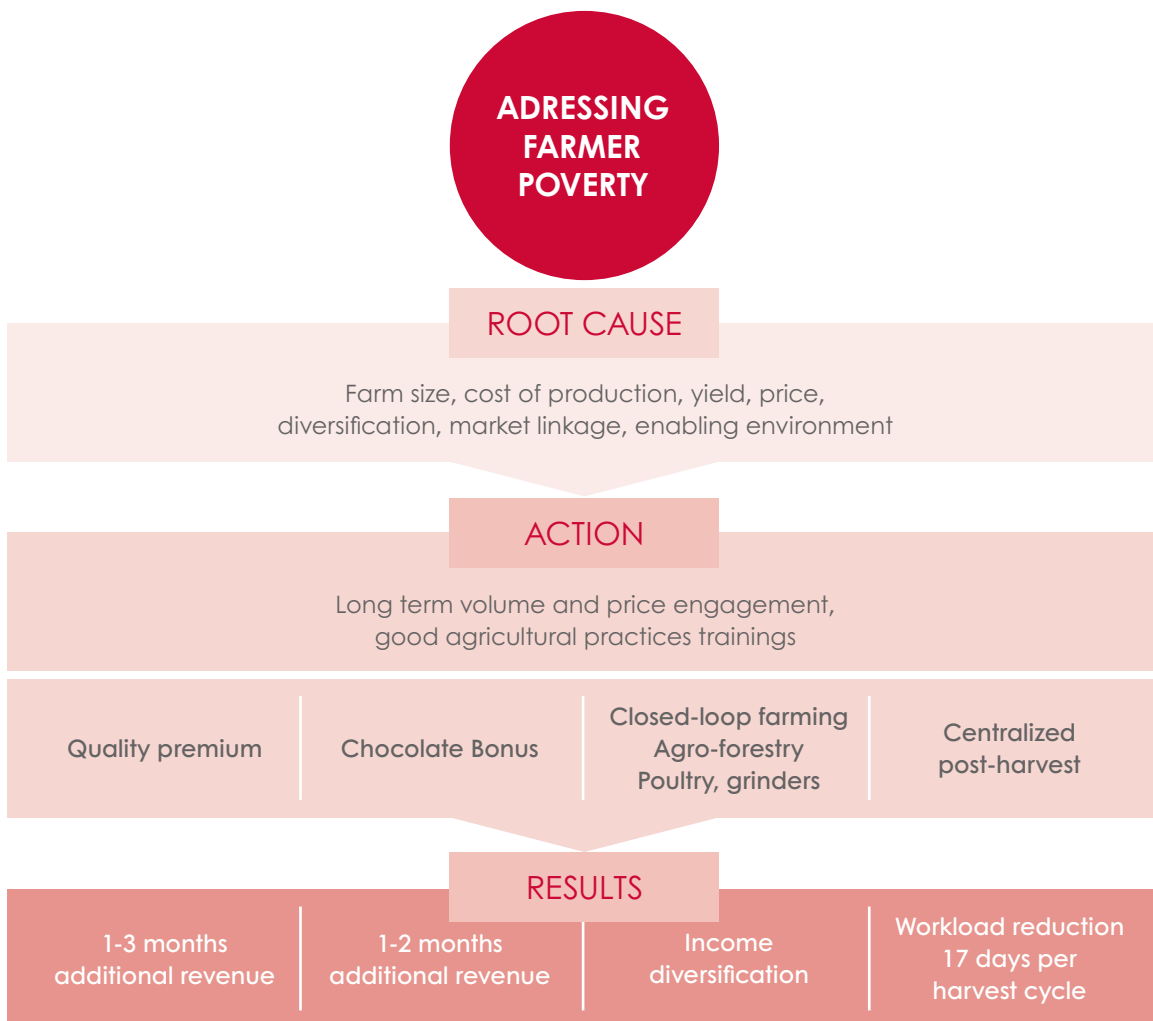
Cocoa supply chain is strongly associated with 3 key challenges: farmer's poverty, child labor and deforestation. Below further details the strategies that Cacao-Trace has put in place to address those challenges. We believe it is part of our transparency commitment.

STRATEGY TO ADDRESS FARMERS POVERTY

The first and most important challenge in the cocoa supply chain is the farmer's poverty. We can clearly identify poverty as the first root cause to all the key issues related to cocoa supply chain.

This structural poverty is embedded in a context of small farms, low yields, low prices, lack of diversification and lack of market linkage. With Cacao-Trace, we aim to tackle farmer poverty through a combination of meaningful actions.

As a common base we first commit to long term commercial engagement toward communities. From there, several elements of the programs will immediately support the farmers. Trainings on good agricultural practices linked with both quality premium and Chocolate Bonus schemes will substantially increase farmer revenue. Additionally, the program aims to support farmers to diversify their income and through the centralized fermentation option, reduce the household workload.





Adjoumani – Farmer Testimonial

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

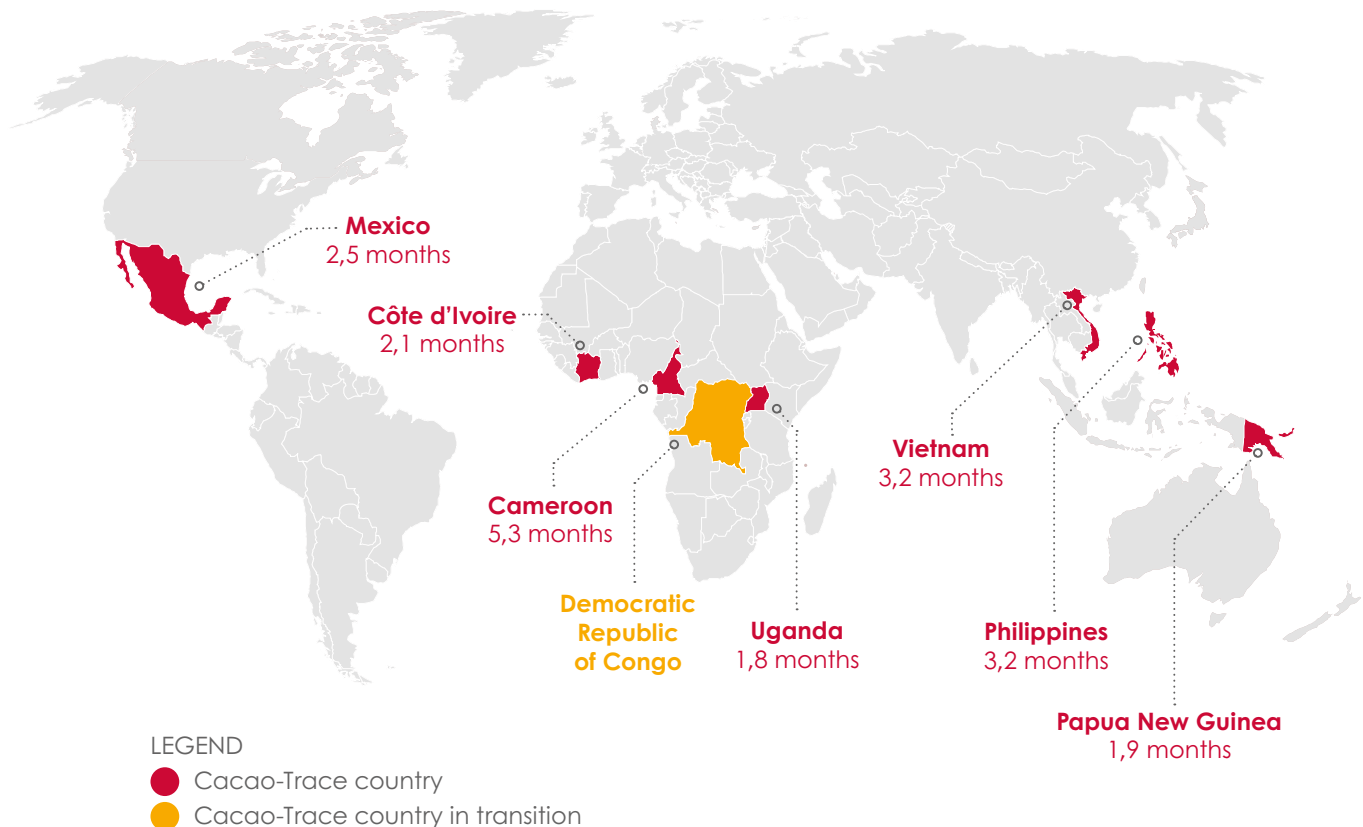


We aim to push the above model and work toward our living income target. To achieve this, it means first measuring and establishing a reference per country we operate in.

The first step is determining a living income for a family per origin country, independent of whether they are cocoa producers. Global Living wage.org used the Anker Method to evaluate the living income necessary to have basic needs met, this includes nutritious food, education, housing, clothing, medical, transport and emergency savings. Surveys are conducted at a local level with focus groups and the benchmark and study is publicly released for reference. 6 out of the 7 Cacao-Trace countries have a public benchmark available, with the exception of the Philippines where we have used the local minimum wage applied to 1.7 workers (for a household of 4) as a reference. Today, although we cannot say that we are already reaching a living income with Cacao-Trace globally, we are able to provide an additional 1 to 5-month equivalent earnings based on the current standard cocoa income, supported through the quality premiums and Chocolate Bonus. We are proud of this achievement which is going far beyond the industry practices, and we are determined to improve our income impact year after year.

Impact per country (Chocolate Bonus + Quality Premium) - Additional months income* (cocoa)

*Including minimum price in Mexico, Cameroon and Vietnam



STRATEGY TO ADDRESS CHILD LABOR

Cacao-Trace supports access to education and is strongly opposed to any form of forced Child labor.

We do however make a distinction and are not against the fact that children (under 18 years old) may help their parents to work in their farms as long as they still have access to school and education. We consider it can be part of a child's education and we encourage young generations to become future professional cocoa farmers. To guide understanding and communication around this topic Cacao-Trace standard has established the 3 below definitions:

- **Acceptable work for a child:** is limited to a few hours a week, supervised by responsible adults, to pass on cultural and farming traditions to the youth generations (socializing work), and consist of light and safe tasks that do not compromise school attendance.
- **Unacceptable child labor:** is defined as underage (below 15) unsupervised work, and/or underage (below 15) with excessive hours, and/or underage (below 15) which compromises school attendance.
- **Worst form of child labor:** hazardous activities (age inappropriate), exploitation or trafficking.

This being said, unacceptable and worst forms of child labor in cocoa supply chain are a reality like it is, unfortunately, the case in many other agricultural supply chains. It stretches, from children involved in hazardous work to more extreme cases of forced labor.

We consider worst forms of Child labor as a priority and we have developed a specific approach. With Cacao-Trace our integrated approach of child access to education and child protection consists of 5 inter-connected pillars.



1. **Increase Household Income** by paying farmers a Quality Premium and Chocolate Bonus on top of the standard farmgate price. We also promote income diversification.
2. **Child Rights & Protection** by implementing awareness, surveillance campaigns and a grievance mechanism along with a Child Labor Monitoring & Remediation System.
3. **Child Access to Education** thanks to building school infrastructures in the communities nearby and supporting quality education and the cost of education (teacher kits and scholarships).
4. **Child Health & Safety** through increasing investment in clean water access and health center building.
5. **Stay Engaged** with long-term commitment through post-harvest centers, volume engagement, community development projects and renovation projects to keep the investments at a high standard.

It is important to mention that the Next Generation Cacao Foundation is strongly associated to the concrete and long term actions taken on the ground to tackle access to education and child health and safety which are representing the pillars 3, 4 and 5 of the strategy.

2022 highlights in Child Labor Monitoring and Remediation system

Unacceptable forms of child labor are prohibited in the Cacao-Trace sustainability standard. Despite the continuous efforts we are making on the ground, the contexts where we work remain challenging with complexities around access to education and child labor.

We are on a path toward increased transparency through digitalization. Thanks to this intensive work, we are able to dig further in the realities of the communities where we work and further detect and address the risks of child labor. We are constantly learning from the survey's findings and exploring ways to improve our approach.

Today, CLMRS (Child Labor Monitoring and Remediation system) is being carried out in Côte d'Ivoire, Papua New Guinea, and Uganda. The approach consists of using available data to profile communities who are far from education facilities. These household groups are then surveyed typically on a 3-year basis to collect data on the number of children per household, children in school and on types of labor the children partake in at home and/or on the farm. This approach includes both announced and unannounced visits to the homes and farms.

We have first piloted this intensive work in Uganda back in 2019 and achieved our first 3-year cycle in 2021. This same approach is now being deployed in Côte d'Ivoire and Papua New Guinea.

Some remediation action and household sensitization are already rolled out in areas where we observe a risk of children under family supervision carrying out tasks on the farm which are deemed as hazardous and not safe for children. Of course, remediation might include other actions than sensitization, such as the provision of school kits or the establishment of a birth certificate, if the need is identified. We are working closely with the Next Generation Cacao Foundation on those specific actions to allocate our funds to target the needs.

In 2022, we have remediated 124 cases.

At this stage of the surveys, we have not identified in Cacao-Trace supply chain any case of the worst forms of child labor, human trafficking, nor other types of abuse. If a child would be flagged to be in immediate danger (e.g., unconditional worst forms of child labor or other types of abuse), we would ensure that immediate support is provided (either directly or by referral to a responsible authority).

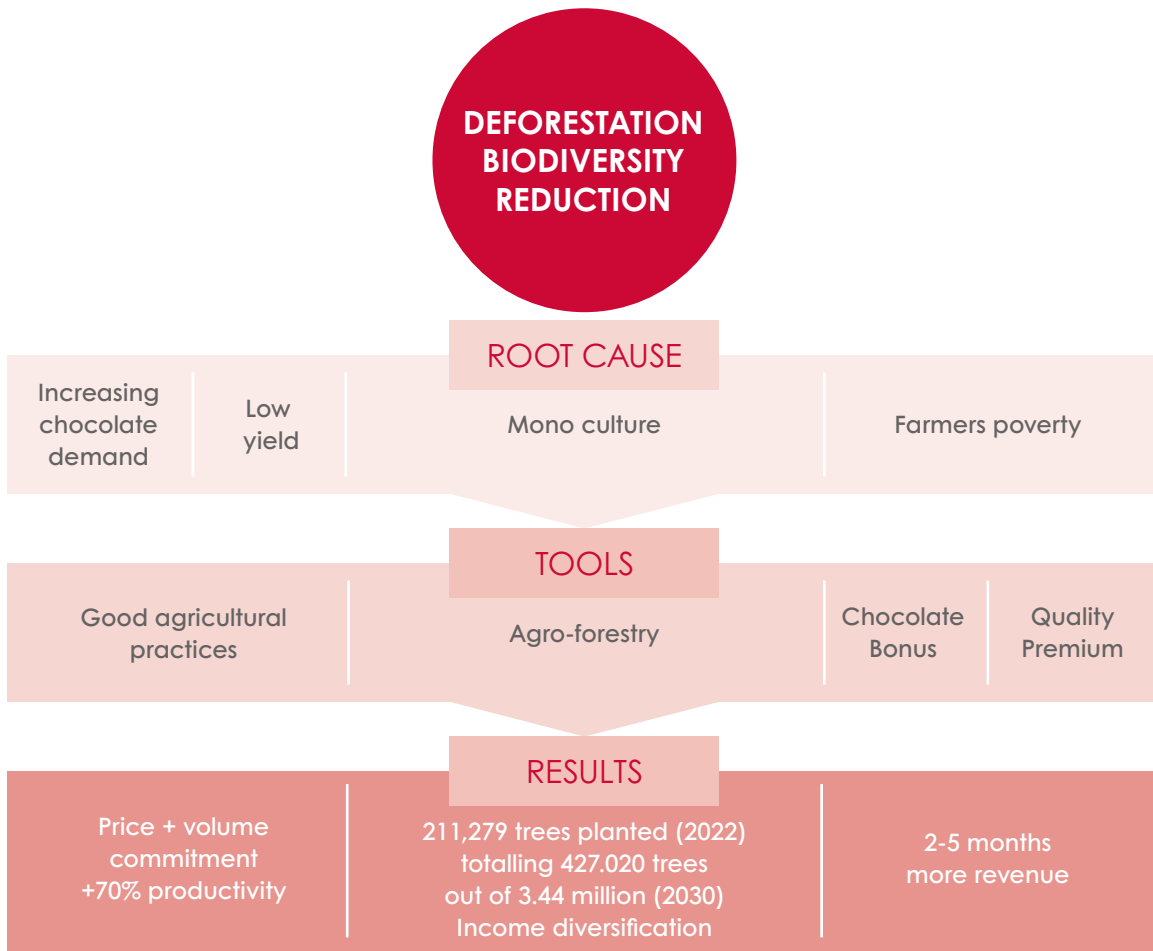
We target the following:

- **2023: Uganda** - 100% of the households profiled (second cycle).
- **2024: Côte d'Ivoire** - 100% of the households profiled for the 10 cooperatives onboarded. In 2022 we target to survey 3,649 families focusing on achieving 100% in our historical cooperatives.
- **2024: Papua New Guinea** - 100% of the households profiled.

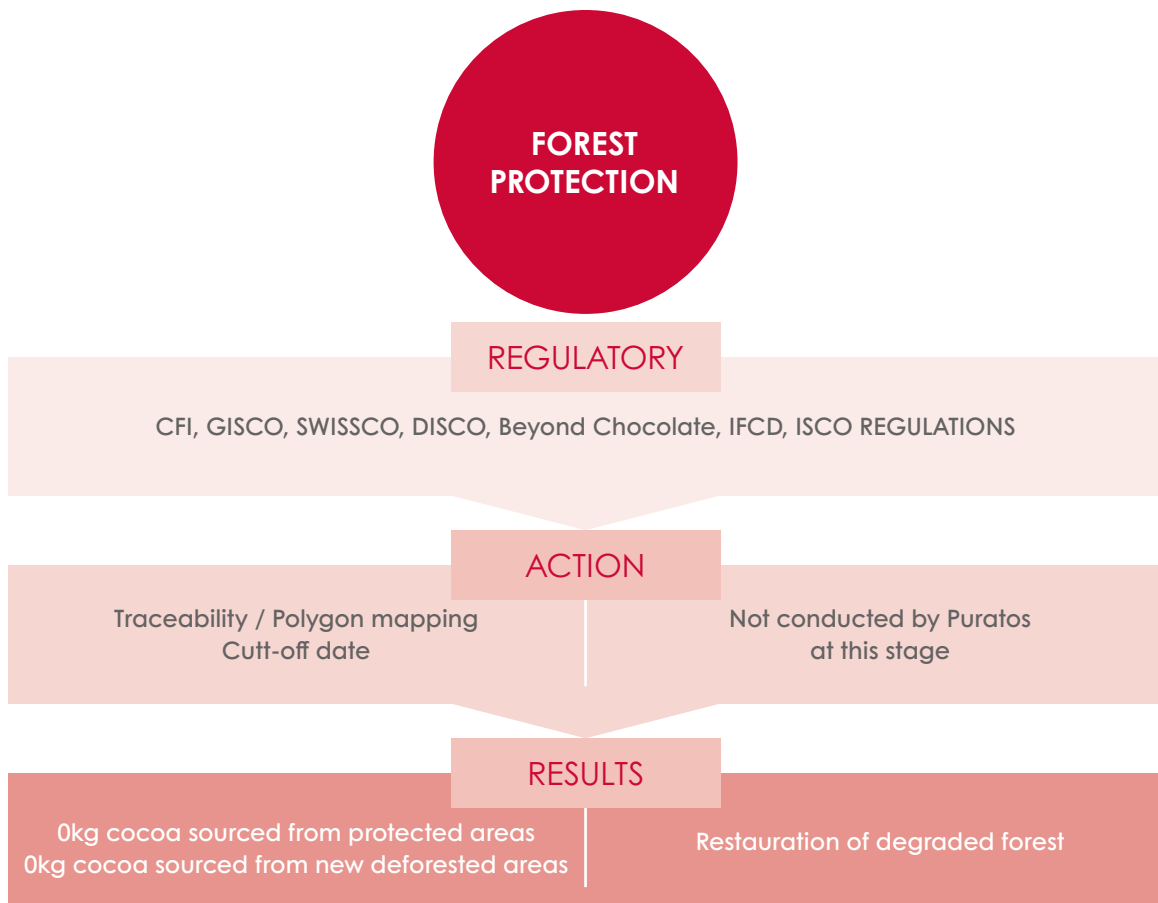
STRATEGY TO ADDRESS DEFORESTATION AND REDUCTION OF FOREST COVER

Cocoa is linked with reduction of forest cover and biodiversity. With Cacao-Trace we have developed the below strategy to remediate deforestation and restore biodiversity in our supply chain.

We identified again several root causes responsible for the existing environmental challenge of cocoa supply chain. With Cacao-Trace we are confident that we address those structural issues through our work on yield and farmer Income. Still, we are investing in a consequent agro-forestry project toward regenerative agriculture.



Puratos fully supports all the regulatory initiatives to protect endangered forests. Concretely Cacao-Trace has established 1st January 2014 as a cutoff date and no plantation posterior to this date can be accepted in the program. Technology will play an important role in this strategy. We are today focusing on improving our control through Polygon mapping of all the farms in the Cacao-Trace supply chain. As we speak, Puratos is not yet engaged in reforestation of degraded protected areas.



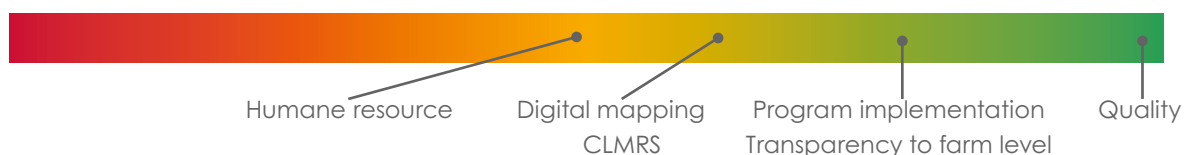
Objectives 2025 and 2030

Our ambition for Cacao-Trace is to grow aggressively this unique program and continue to impact more farming communities. By 2025 we estimate that Cacao-Trace will reach up to 25,000 farmers and this number could double by 2030.

We are convinced that Cacao-Trace together with the Next Generation Cacao Foundation contributes to generate a virtuous cycle that will gradually change Cacao-Trace farmers lives. We are perfectly aware that some environmental and social challenges remain in front of us and might require specific evolution of our approach. We are continuously working toward the improvement of Cacao-Trace programs.

2022 summary on Cacao Trace programs

2022 saw a rapid scale up of the program, with this came many successes as well as challenges. Adjustments on the Cacao-Trace sustainability standard has been identified as a next step to put emphasis on the critical points and continue to reinforce the foundations of our program quality. This will include increased importance to migrate our monitoring and evaluation into digital tools and link with our annual 3rd party audits. It also requires additional investment in our human resources to strengthen the teams and implementation on the ground.



**internal scoring review based on internal and External audit*

02



Highlights 2022

Puratos chairmans visit to Côte d'Ivoire and Cameroon

In 2022 Puratos' chairmans Eddy and Cedric Van Belle visited 2 of Cacao-Trace programs in Africa. It was an inspiring and motivating moment for all Cacao-Trace collaborators and stakeholders running the programs on the ground. We were also curious to hear the impact it had on them as shareholders of Puratos;

Why, as Puratos chairman, was it important for you to visit Cacao-Trace in Côte d'Ivoire? What were your expectations?

"It was important for me to be on the field, to realize the real effect of Cacao-Trace. We are all convinced it is the right thing to do, but it takes another dimension when you see it live. I was expecting to have an emotional trip and I was not disappointed. It was overwhelming. We can be proud of the results."

Eddy Van Belle

What are your learnings and how will it influence Puratos further in its sustainable sourcing approach?

"Our program is improving the life of thousands of families. We are on the right track. It is the moment to go further and apply the same type of strategy to other raw material sourcing. This is totally in line with the shareholders' expectations."

Cedric Van Belle



Sylvestre Awono, Youri Dumont, Cedric Van Belle and Eddy Van Belle are welcomed in the tradition of Baoule culture in Daregba village, San Pedro

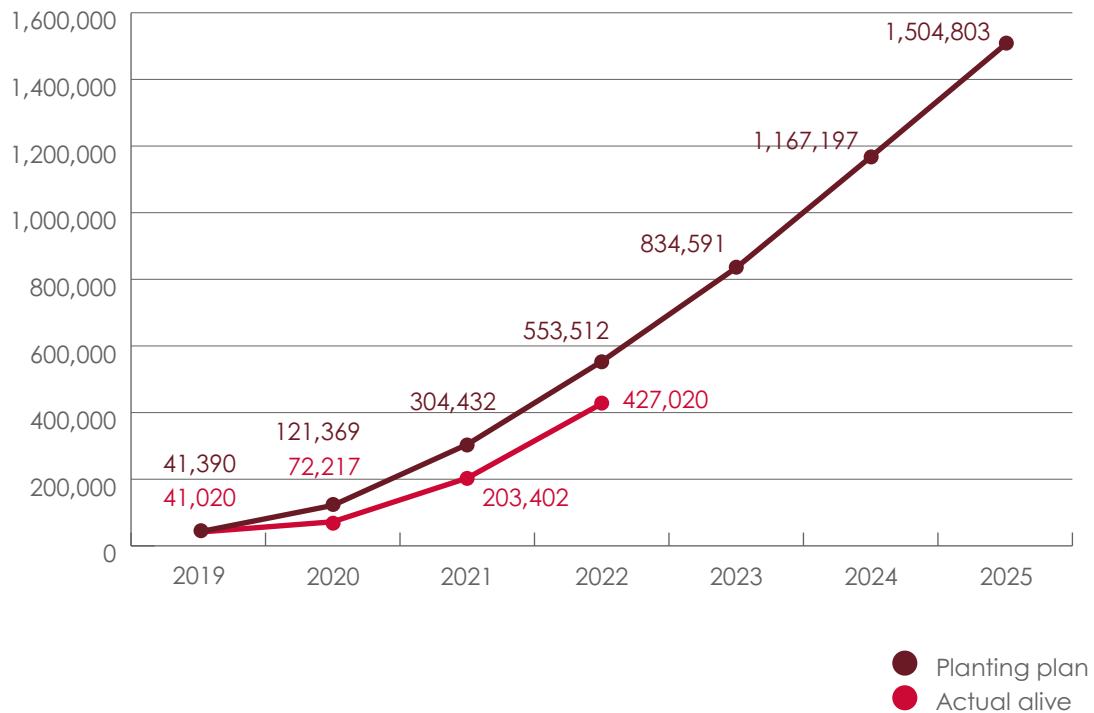
Agroforestry projects

Since 2019, we engaged 6 Cacao-Trace programs into Agroforestry and climate smart farming. We collaborate with Pur Projet on a carbon insetting program (within our cocoa supply chain) which is part of a broader Puratos project of Carbon neutrality for scope 1 and 2 in 2025 (<https://www.puratos.com/commitments/next-generation/better-planet>).

After 4 years and many learnings, our results are starting to be more and more material. Even if we are still below our initial targets due to tree mortality and delayed planting waves, we do see a tangible acceleration of our programs and are confident that we will catch up significantly in 2023.

Beyond the CO₂ benefit, in the coming years, when the trees will be more mature, our ambition is to concretely understand the resilience of agroforestry models toward Global warming, how it fosters biodiversity and impacts living condition of Cacao-Trace farmers.

Cumulative trees plantation



Seedling nursery in the Cacao-Trace program in Côte d'Ivoire. 5 different types of native forest trees are distributed to farmers engaging in the project. The shading portion represents 20 to 30 % of the cocoa farm.



Mati Cacao Fiesta

In 2022, Puratos celebrated the Cacao-Trace cocoa farmers by organizing a Cacao Fiesta in Mexico. This event was for both the farmers and a few of our customers. The day consisted of training, games, and a Chocolate Bonus distribution.



New Cacao-Trace program & product innovation

In 2022 we have seen many strong achievements of the Cacao-Trace program, as well as translating this into the successful promotion of finished products of Puratos in its endeavor to bring innovative & sustainable solutions to its customers. Among many other we are pleased to highlight the following 2022 emblematic Cacao-Trace product launch. It translates in particular this strong link that Cacao-Trace has with Great Taste innovation, quality, and the producing countries.

Belcolade – Expression range – So'Choc

The EXPRESSION range offers a unique and unmatched taste journey based on our innovative expertise in fermentation. It brings an element of time in the tasting of chocolate which has never been done before. It enables customers to reach the next level of differentiation for their most creative chocolate-based applications.

So-choc is the first chocolate in this new Expression Range, coming straight out of Stéphane Leroux's imagination. It offers a unique temporal Taste Journey, with fresh cereal and malt, yet very fruity with a long lasting cocoa mouthfeel.

To create this taste journey, we used our expertise in fermentation of cocoa and sourdough. More precisely, we combined fermented cocoa and fermented buckwheat with a patented process. The aim of So choc is to make every application very unique and different. With So choc, take new flavor paths and make your own creations come alive in a new and very unique way.



Gianduja Cameroon

GIANDUJA is THE STAR OF THE PASTRY AND CONFECTIONERY!

The association hazelnut and chocolate has always been an essential of sweet gastronomy.

Gianduja is used today in all its forms, whether to flavor a mousse or a ganache or to fill a chocolate candy. For this product we have selected hazelnuts from Piedmont whose reputation is well known. The emblematic and intense flavors of this dried fruit is sublimated by the Belcolade Cacao-Trace milk chocolate from Cameroon.



Carat Cacao-Trace innovations

Within the product range of Carat, more and more countries are taking the initiatives to use Cacao-Trace Cocoa Powders to convert, innovate or for Tailor Made:

Conversion is on-going in Moldova, they are using Cacao-Trace Cocoa powders in Carat Decorcrem Dark and Carat Nuxel Hazelnut.

New products, new line extensions with Cacao-Trace are launched in:

Spain – Carat Decorcrem Dark Choco, made with Cacao-Trace Cocoa powders and Belcolade Origins Cacao-Trace

Brazil – Carat Supercrem White Hazelnut, made with Belcolade Selection Blanc Cacao-Trace

Moldova – Carat Supercrem Hazelnut, made with Cacao-Trace Cocoa powders

And **Thailand** is pioneer in using Cacao-Trace powders for Tailor Made Developments. A well-known donut chain in Thailand is using the Carat Coverflex CT on their donuts.

*Honestly
Delicious*



Plant-based – Health & Well-Being

Belcolade Plant-based

Delicious, well-balanced, and creamy Plant-Based milk-alike chocolate made in Belgium. Nut free*, dairy-free*, gluten-free and soy allergen free. Unique combination of our pursuit for true taste and our commitment towards cacao farmers, with a life changing impact.

* Produced on lines that do not use dairy or nuts. Contains less than the analytical detection limits for respective allergen components.

Tikul

- Mexico was chosen to create the Plantation Ticul and make it a place of conservation of ancient Criollo varieties in 2008. The name "Ticul" comes from a village near the plantation in the state of Yucatán, a state strongly marked by its Mayan history in which the use of cocoa had an important place (ceremonial, currency) but the cultivation has disappeared.
- One of the main objectives of the Ticul plantation is to preserve the genetics of the ancestral Criollo cocoa, which now represents less than 2% of world cocoa production. Just like the "sourdough library" in Saint-Vith, Belgium, the Ticul plantation is a library of ancestral cocoa that conserves the genetics through identified, listed and healthy cocoa trees. Indeed, because of their low productivity and their high sensitivity to diseases, Criollo cocoa trees have been progressively abandoned in favor of Forastero trees, which today constitute about 80% of the world production.
- In the plantation 12 different types of Criollo were genetically analyzed and then reproduced and cultivated, including one found in the Yucatan and considered as 100% Criollo DNA. After almost 15 years of research on unknown or little known varieties, the discoveries continue. Indeed, it is not uncommon to find trees in the plantation that produce very original pods. A graft is then taken from these trees to be cloned in the "Caroline Ouwerx botanical garden" of the plantation. We named our clonal garden after Caroline who has been for years instrumental in making Belcolade grow, until she sadly passed away. In addition, the plantation allows the production of a white bean Criollo cocoa of very high quality. However, 10 years and many experimentations in the field were necessary to learn how to properly cultivate this cocoa in the area. This allowed the group to learn a lot about the cultivation of cocoa and to capitalize on knowledge specific to Criollo cocoa.

In 2022 the plantation continued its expansion. We planted more than 50 thousand cocoa trees in agroforestry systems and more than 6 thousand endemic and permanent shade trees on formerly deforested plots to allow the cocoa to grow in a suitable environment. The plantation represents today 47 hectares planted of which more than half are in production and a team of 35 people present daily to plant, take care and harvest this exceptional cocoa.



Interview with Don Concho, our foreman at the Ticul plantation (Mario Concepción Burgos)

"As a direct descendant of the Mayan people, my first language, as well as most of the workers, is Mayan. At the beginning of the project we all wondered to ourselves "how the Mayan people did to cultivate this sensitive tree in this area more than 1200 years ago". To answer this, I've put together a team of workers from the area with whom we have spent the last 15 years trying to answer this question. It has not been easy but today I feel amazed every day when I enter the plantation, I continue to learn every day and each tree of this plantation is like my child."

Congo on the horizon

In 2022, a new partnership was formed together with Envirium Life sciences to source cocoa from Eastern Congo. The project supports independent smallholder farmers on the outskirts of the National Park Virunga. Envirium Life Sciences works closely together with the Virunga Alliance to foster peace and prosperity through the responsible economic development of natural resources. Through this partnership 4 fermentation centers were financed by the Virunga Parc while Envirium and Puratos ensure a long term output and attractive pricing to farmers engaging into what will soon become our 8th Cacao-Trace program.



My Cacao-Trace

My Cacao-Trace is our ultimate service for customers who aim to go beyond and craft their own sustainability project. At Puratos we strongly support those initiatives and believe that by connecting farmers to end users, we are truly engaging stakeholders into the next sustainable pathway.

We would like to highlight 2 of our flagships customers projects that came to life in 2022.

Belgium: Dolfin

Dolfin is a Belgian chocolatier with a mission to blend high quality chocolate with other, sometimes surprising ingredients found all over the world. They take pride in the wide variety of flavors they offer in their chocolates. They want to increase the sustainability in the cocoa business, which is why they've developed their own program "Cocoa Act 4", based on their My CacaoTrace. The four pillars they want to protect are the people, planet, quality & transparency. They support their own PARC community in Côte d'Ivoire.

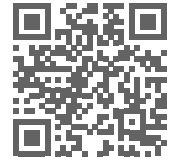


"What we are doing there thanks to your program enriches us from a human perspective and encourages us to go further in this direction."

Jean-Jaques De Gruben, CEO Dolfin

France: Marie Morin

Located in Brittany, the family owned company Marie Morin is engaged toward using qualitative and responsible Raw materials to manufacture “like at home” desserts. For their best seller, the in-chocolate mousse, they were missing this link toward farming communities. Today, this is a done deal! After a memorable trip regrouping Morin's first and second generation, the company engaged a long-term collaboration with the community of Alloukoidyokro in Côte d'Ivoire.



“Marie Morin invests heavily in the well-being of her employees and, at the same time, tries to give meaning to her social and environmental actions. This journey to discover those who produce our cocoa beans in Côte d'Ivoire, who become aware of their know-how, of their wealth through this Cacao-Trace program, set up by Puratos Belcolade, was a shock, a monumental slap. This program focuses on people, as we try to do at home. An extraordinary adventure, lived with great simplicity, kindness of the producers, an extraordinary welcome. Without forgetting the very essence of our needs: a superior quality cocoa bean.”

Bruno Morin, Co-gérant



03

Next
Generation
CACAO
FOUNDATION

Next Generation
Cacao
Foundation

The Next Generation Cacao Foundation (NGCF)

Puratos has incorporated the non-for-profit Next Generation Cacao Foundation in Belgium in 2016 ("NGCF"). It is a private foundation (Dutch: Private Stichting / French: Fondation Privée) which is recognized since 2019 by the Belgian tax authorities as an institution providing aid to developing countries.

The Next Generation Cacao Foundation is part of the broader initiative called "Cacao-Trace".

The Cacao-Trace program is a sustainable cocoa sourcing program guaranteeing a premium price and a unique Chocolate Bonus of 10-euro cent per kg of chocolate sold.

Chocolate has been appreciated for decades and the number of addicts of its flavor and taste is constantly growing. Yet despite the increasing popularity of chocolate, most small cocoa producers cannot make a decent living because of environmental, economic, and social challenges.

The Chocolate Bonus generated by the Cacao-Trace programs goes 100% to the farmers to increase their living income or by implementing meaningful projects in their communities.

The Next Generation Cacao Foundation's primary role is to manage, collect and distribute in an open and transparent manner the Chocolate Bonus to the cocoa farmers and their communities. It must provide a long-term positive impact on farmers and their families' quality of life.

The Annual Report of the Next Generation Cacao Foundation is publicly available.

Vision of the Next Generation Cacao Foundation

The Next Generation Cacao Foundation is active in very diverse locations such as Cameroon, Côte d'Ivoire, Mexico, Papua New Guinea, Philippines, Uganda, and Vietnam.

The purpose of the Chocolate Bonus is to provide means to take cocoa farmers out of poverty and to support their communities to reach decent living standards.

The Next Generation Cacao Foundation will adapt its actions and support to the local context and intends to cooperate with local organizations having similar or complementary interests if this can be done in an efficient and transparent manner.

The impact of the Chocolate Bonus is divided into two categories. The first one is to support community projects in rural areas. The second is a cash contribution for individual farmers in more mature countries.

The mission of the NGCF, is to determine the strategy, the development and the implementation of the Chocolate Bonus and the projects funded by it.

The Chocolate Bonus distribution mechanism

The Chocolate Bonus distribution mechanism: the Next Generation Cacao Foundation's Board of Directors annually allocates the Chocolate Bonus according to five principles:

- **Transparency Principle:** Each program will receive a Chocolate Bonus contribution corresponding to the cocoa bean's origin processed in Cacao-Trace Chocolate products. Each distribution and project implementation are audited and verified by an external and independent party.
- **Equity Principle:** The contribution takes place on a yearly basis. The Chocolate Bonus is allocated to the farmers in cash or by supporting community projects according to the local context and in function of:
 - The foundation's values, aligned with the UN SDG's.
 - Present and future needs of the farmer communities.
- **Stay Engaged principle:** The Next Generation Cacao Foundation always seeks long term benefits helping future generations on their way. Maintenance of realized community projects is foreseen by yearly setting aside a part of the Chocolate Bonus.
- **100% Principle:** 100% of the Chocolate Bonus collected goes to the cacao farmers or their communities. Puratos covers all the operating and working expenses of the Next Generation Cacao Foundation.
- **Thorough Principle:** Each distribution and project implementation is supervised by local teams.

The Next Generation Cacao Foundation's sources of income

The foundation's funds stem from different sources:

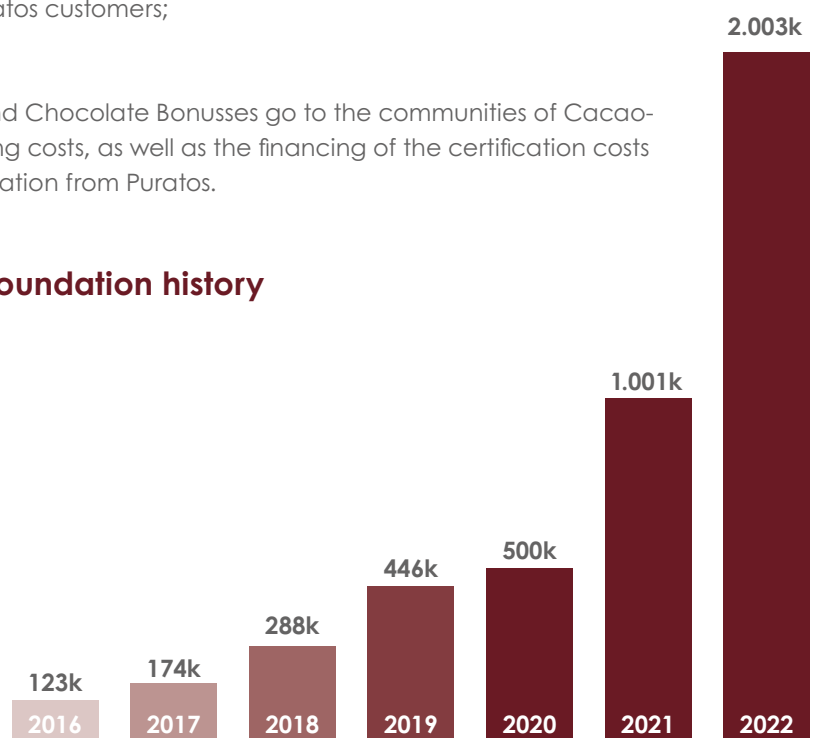
- Sale of Cacao-Trace chocolates certified sustainable with a Chocolate Bonus included in the price paid by customers;
- Special fund-raising events organized;
- Donations by individuals or companies;
- Specific projects financed by Puratos customers;
- Government aid.

To ensure that 100% of the donations and Chocolate Bonusses go to the communities of Cacao-Trace farmers, the foundation's operating costs, as well as the financing of the certification costs and charges are fully covered by a donation from Puratos.

The Next Generation Cacao Foundation history and long-term objectives

CONTRIBUTION TO SUSTAINABILITY

Between 2016 and 2022 the Next Generation has collected **€4,535,384** for Cacao-Trace cocoa farming communities.



The below chart visually shows the evolution of the foundation's actions and realizations since 2016.

2016

- Creation of the NGCF (Next Generation Cacao Foundation)
- Cash distribution €123,000 (Vietnam & the Philippines)

2017

- Cash distribution €174,000 (Vietnam & the Philippines)

2018

- Cash distribution €183,338

2019

- Cash collection €382,496
- Projects implementation with the bonus of previous year:**
- Cash distribution €130,768
- 1st primary school built in Abdoulaykro - San Pedro Côte d'Ivoire +300 pupils
- 1 clean water solar pump installed

2020

- Cash collection €455,458
- Projects implementation with the bonus of previous year:**
- Cash distribution €636,345
- School extension in Nindivi – Papua New Guinea - +100 pupils
- School extension in Negrie – Papua New Guinea +50 pupils
- 1 maternity in Gobroko – Sassandra, Côte d'Ivoire (30 babies per month)
- 1 school in Zegreboue – Côte d'Ivoire - +150 pupils
- Primary school extension – Daklak Vietnam +50 pupils
- 500 scholarship distributed to Cacao-Trace farmers in Côte d'Ivoire with supplies, uniforms and school bags for the children of cocoa farmers, plus teachers' kits
- 3 clean water solar pumps installed Côte d'Ivoire
- Special Covid donation. Action in all Cacao-Trace programs (8,000 farmers supported)
- 1 canteen in Greleon primary school – Côte d'Ivoire

2021

- Cash collection €1,000,935
- Projects implementation with the bonus of previous year:**
- Cash Distributed €408.356 (-36% vs 2020)
- 46 water tanks (rainwater harvesting) were installed in PNG
- 3 classroom and 6 toilets in PNG (Angoram & yangorou)
- 3 water pumps in three different communities Nero-Brousse – Godjiboue – Generalkro – Côte d'Ivoire
- 3 classrooms in the Zegreboue community. – Côte d'Ivoire
- 3 classrooms + 8 toilets in the Davidkro community. – Côte d'Ivoire
- 1500 scholarships distributed to Cacao-Trace farmers in Côte d'Ivoire with supplies, uniforms and school bags for the children of cocoa farmers, plus teachers' kits.

2022

- Cash collection €2,003,384
- Projects implementation with the bonus of previous year:**
- Cash Distributed: €790.490 (+94% vs 2021)
- 12 clean water towers
- 4.500 scholar kits
- 1 maternity in Nero-Brousse
- 3 classrooms in Davidkro
- 1 grinder in Parc, 2 poultries in Daregba and Colonel

In 2022 alone, **€2,003,384** was collected thanks to a strong acceleration of our Puratos sustainable program.

Looking forward to 2030, The Next Generation Cacao Foundation has the ambition to double its contribution toward cocoa farmers every two years.

On the ground, the distribution of those funds is taking the form of cash and/or social project contribution. The long-term engagement of the Next Generation Cacao Foundation toward the farming communities and the revolving nature of the Chocolate Bonus schemes allows to meaningfully engage farmers in a virtuous development dynamic.

THE NEXT GENERATION CACAO FOUNDATION'S RELATION TO SDG'S

The Next Generation Cacao Foundation action plays a fundamental role reinforcing the Cacao-Trace program impact on SDG's. Since 2019 SDG's contribution is an important parameter of our Chocolate Bonus project decision matrix.

More specifically the foundation has selected the below 7 SDG's as priorities for its actions.





1. No poverty

When distributed in cash, the Chocolate Bonus directly supports farmer's revenue and allows them to improve their living conditions. We can consider that on average, the Chocolate Bonus represents 1 to 5 additional months of farmer revenue.



2. Zero hunger

When supporting educational infrastructure, the Next Generation Cacao Foundation has already invested several times in canteens where communities can organize proper nutrition for their children. This action is to be further developed.



3. Good Health and Well-Being

The Next Generation Cacao Foundation directly invests in health infrastructure. In 2020, The foundation built and furnished a maternity in Goproko-Côte d'Ivoire, at the heart of our Cacao-Trace community.

During the 2020 Covid outbreak, the Next Generation Cacao Foundation engaged into a specific communication campaign to bring awareness in rural areas and distributed basic protective equipment and hygiene kits to all the Cacao-Trace farmers.



4. Quality education

The Next Generation Cacao Foundation is strongly engaged in facilitating access to education in rural areas where Cacao-Trace communities are located.

This involves regular and increasing investment in schooling infrastructures (10 schools were supported or rebuilt in Côte d'Ivoire, Papua New Guinea and Vietnam in the last 2 years).

Education kits and scholarship projects are playing an increasing role in the foundation's action.



5. Gender equality

The Next Generation Cacao Foundation Cacao-Trace monitor and encourage gender equality.

Specifically targeting young generations, our investment in sanitation facilities in most of the schools infrastructure supported allow better access to education for young girls. Scholarship programs also aim to support young girls access to education.



6. Clean water and sanitation

The Next Generation Cacao Foundation is prioritizing investing in clean water and sanitation facilities for the Cacao-Trace communities. In the past 2 years we invested in 8 solar water pumps in Côte d'Ivoire and 46 community rain water harvesting systems in Papua New Guinea.

6 schools were equipped with clean water access and proper sanitation facilities.

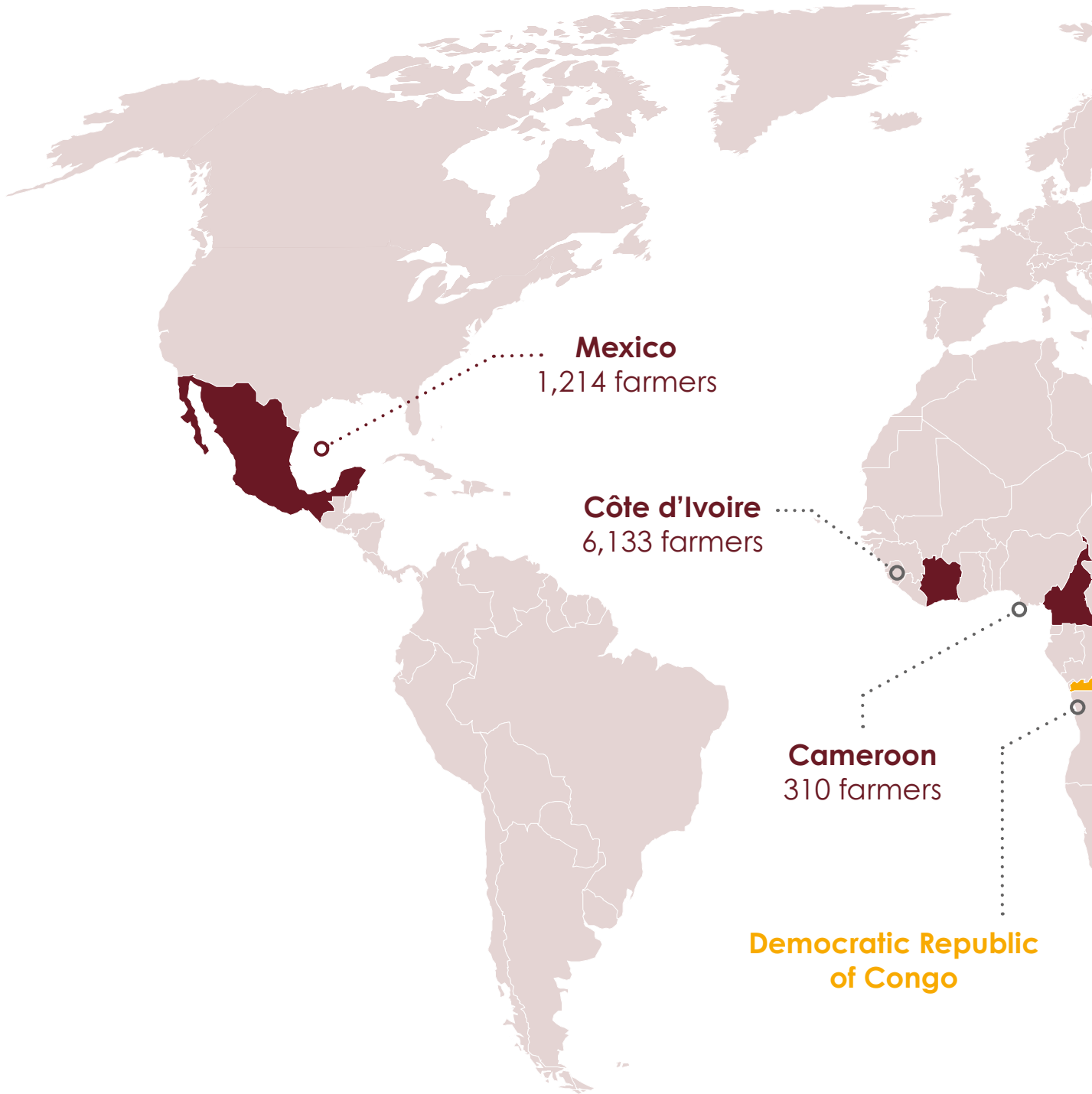


17. Partnerships for the goals

The Next Generation Cacao Foundation is actively looking for partnerships and funds that can support further its action and impact.

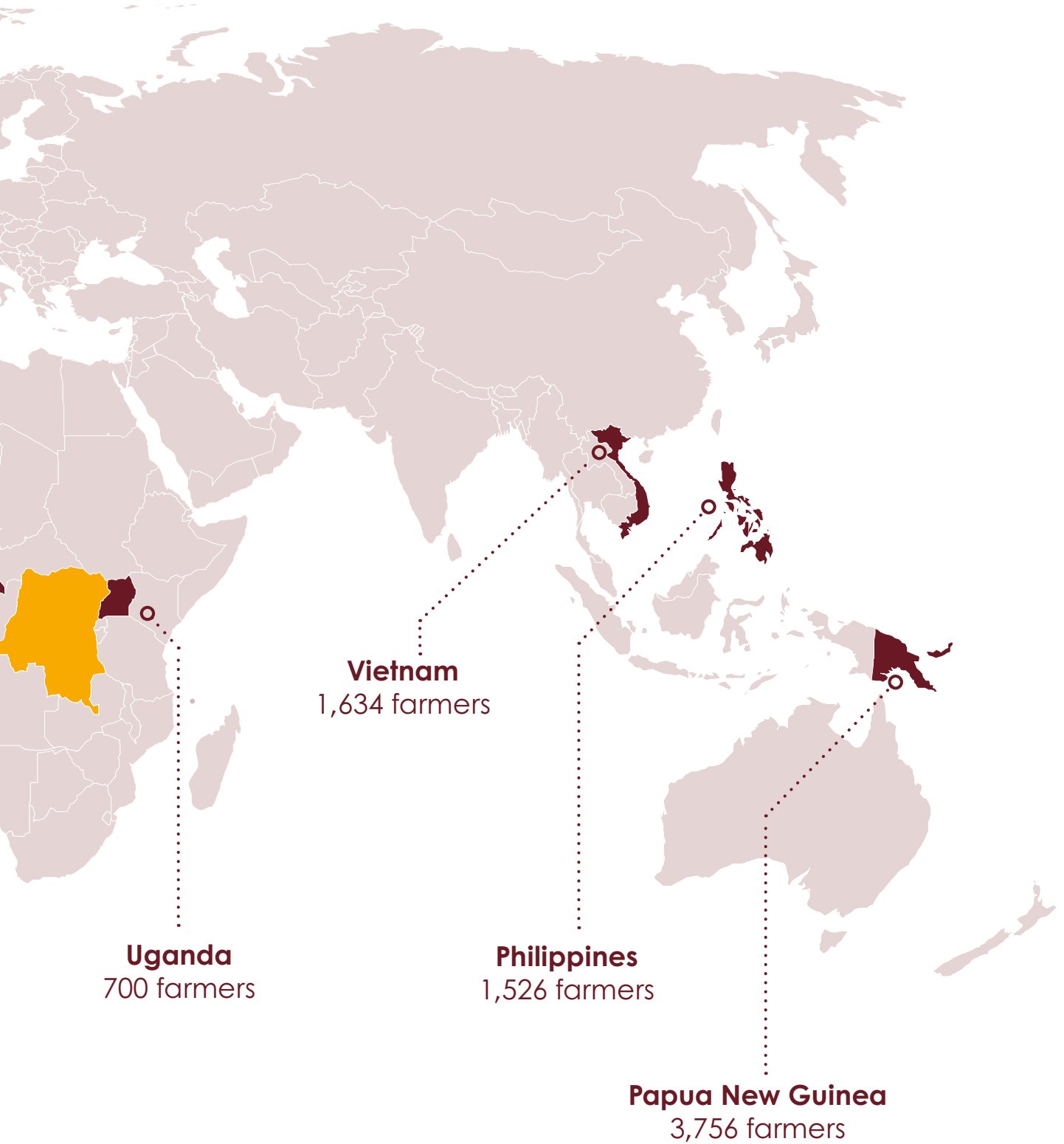
Next Generation Cacao Foundation geographical presence in 2022

We are currently deploying the Cacao-Trace initiative in Vietnam (2014), in Côte d'Ivoire (2015), in the Philippines (2017), in Mexico (2018), in Uganda (2018), Papua New Guinea (2018) and Cameroon (2020).



LEGEND

- Cacao-Trace country
- Cacao-Trace country in transition



Application of the 2022 Chocolate Bonus

INTRODUCTION

During the year 2022, the Next Generation Cacao Foundation continued to deploy the Chocolate Bonus Cash distribution in Mexico, the Philippines and Vietnam as well as further strengthened impactful projects in Côte d'Ivoire and Papua New Guinea and for the first year Uganda.

As a general principle, the Chocolate Bonus is attributed to the farmer communities in full and is distributed to the farmers as soon as a customer has contributed to it.

Given the complexity of the cocoa supply as well as the harvest seasons, the Chocolate Bonus distributions are organized in each country at different times of the year.

The Chocolate Bonus is distributed (i) either in cash to the farmers, based on the volume of certified beans each farmer sourced to Puratos or (ii) in projects, based on the volume of certified beans the community supplied to Puratos. Cash contribution for individual farmers is applied in countries with full purchase transparency up to the farmer identity. However, depending on "field reality", in some countries the cash distribution is not possible and/or community projects are needed to meet the basic needs. In this scenario the foundation has foreseen a procedure to finance projects with the Chocolate Bonus funds".

The 'Community Projects' are listed and proposed by the community itself and the Board of Directors of the foundation selects the projects based on impact, alignment with the foundation's objectives and available funds. Importance is given to education and health infrastructure projects.

In 2022, the Next Generation Cacao Foundation is collaborating with the NGO's Rikolto in Côte d'Ivoire and GIZ and Helvetas in Vietnam on specific projects aiming at further supporting farming communities and environmental protection. Looking forward, we aim to develop more external partnerships who enable a broader scope of actions.



Jean-Philippe Michaux
CFO at Puratos

"Thanks to its recognition as one of the best approaches towards sustainable chocolate while giving the best taste for the chocolate lovers, the Next generation cacao foundation will deliver 2 MEUR this year in chocolate bonus to the farmers, the double of last year."

CASH CHOCOLATE BONUS DISTRIBUTIONS

In the communities where Cacao-Trace is present in Vietnam, the Philippines, and Mexico, most of the basic needs are met and an in-cash bonus is more impactful to the individual's income.

Puratos Grand-Place **Vietnam** home to the Cacao-Trace program initiated the Chocolate Bonus concept in 2014 in the form of a cash back bonus direct to the farmers.

For the year 2022 PGPV had a Bonus Commitment of €87,386, which was distributed to 1,536 farmers.



Nguyen Huu Kien (Vietnam)

According to him the Chocolate Bonus is very meaningful and encourages cocoa farmers. He joined Cacao-Trace from the second half of 2017. At the first time, he received 800,000 vnd. He used a part of the money to buy fertilizer and pesticide for cocoa. The rest, he gave his wife to buy food for his family. He hopes the Chocolate Bonus will uphold for a long time.

Cacao-Trace **Philippines** in the southern province of Mindanao started in 2017 and has since applied the Chocolate Bonus in cash. For the year 2022 there was a commitment of € 39,004, which was distributed during the year to 1,526 farmers.



Fe Oguio (the Philippines)

"I used my Chocolate Bonus to buy farm inputs, farm tools & to pay for my workers in the farm. The program is good especially that we, the farmers, are receiving the incentive yearly. It also encourages more farmers to sell wet beans over dry beans."



Alicia Soliman (the Philippines)

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



Dannis Garde (the Philippines)

"I use the Chocolate Bonus to pay for my children's school fees and help aid in buying household necessities."

In **Mexico**, the 3rd distribution was carried out. In 2022 the farmers accumulated more than 44k Euro through the bonus. They are now used to receive the bonus, and this is part of the relationship of trust that the local teams have developed with them. Farmers are positively surprised over the years to see that with Cacao-Trace their work is rewarded by a fair price. This is encouraging them to move forward with this crop, often considered unprofitable in the region. This year the distribution took place few days before Christmas, which always delights the farmers. The local team also took the opportunity to share with them some chocolate bonbons directly made from their cocoa.

This year some Mexican chocolate makers took the opportunity to meet with the cocoa farmers who thanks to their hard work, allow them to have a product of high quality. It was a great moment of sharing for all and once again, a pleasure to see the smile of the producers who receive "the fruit" of their work and exchange on the gifts they will offer to their family for Christmas.



CHOCOLATE BONUS FUNDED PROJECTS

We believe in investing in a better future for everyone which includes investing in the communities where we work. In countries where the cash distribution is not possible and/or there are challenges to meet basic needs, community projects are carried out to improve living conditions.

The community projects are identified by the community members through vote in General Assembly of the communities who defines and prioritize the community needs. The Next Generation Cacao Foundation receives the projects ranking and will define the financing based on Chocolate Bonus collection.

The foundation has established the following procedure to select community projects to be financed where relevant:

1. Reception of the community projects elected by the local communities;
2. Assessment of the projects by 3 independent members of the Cacao-Trace team;
3. Presentation of the results to the Foundation Board;
4. Board validation.

Rank 1-5	Great match	Good match	Okay match	Bad match
	5	4	3	Below 3
Puratos Fit	Project aligned on Next Generation Cacao Foundation Board members' vision			
Feasibility	Local context, culture, materials (high score means very feasible)			
Community Reach	How much of the community is reached with the project (high score means big reach)			
Budget	In relation to available funds (high score means project fits the budget)			
SDG Fit	Is the project aligned with the SDG covered by Cacao-Trace: (high score means more SDG addressed)			

Community projects implemented in 2022

In 2022 the foundation engaged in Côte d'Ivoire, Papua New Guinea, Uganda and a special project in Philippines.

Papua New Guinea

Due to Covid we could not proceed with our bonus projects on the ground. The funds from 2021 and 2022 will be combined to create a high impact community project in 2023.

Côte d'Ivoire

Chocolate Bonus in Côte d'Ivoire increased significantly in order to reach a total budget of €769,980. As previous years, the Chocolate Bonus was invested in multiple Cacao-Trace communities proportionally to their deliveries. Remaining Funds will have to be transferred to 2023.

- 12 water pumps in 12 different communities. The funding was up to €231,000
- 1 school infrastructure project was selected and completed in the Davidkro. The funding for education infrastructures was up to €55,000.
- Looking at the success of our scholarship program in the previous year, we increased the number of beneficiaries to 4.500. The funding for scholarships was up to €100,100. Kits containing school supplies (curriculum books, uniforms + school bags) were distributed to program member's kids before the school year started.
- A new Maternity was associated to an existing medical center in Nero Brousse for a total budget of €91,000 (construction and equipment).
- We are as well testing a first solar powered electrification pilot in the community of Daregba. This specific Chocolate Bonus is realized thanks to the project in partnership and chocolate sales of Colruyt Boni tablet 72%.
- One Rice mill was provided to the Women association of Parc. This specific project is the result of the collaboration with the Belgian Chocolatier Dolfin.



Philippines

In 2022 the uncollected* funds from previous distributions (378,000 philippine peso) was allocated toward a community project. Davao Oriental State University (DORSU) is a state university in Mati City, Davao Oriental, Philippines, was chosen as the recipient of the funds. The campus, located next to our Mati Post Harvest center, offers degrees in BS Agribusiness and Agricultural Technology. The funds were used to buy computer equipment to support and further their regenerative science research lab. This equipment will help to enhance their agriculture program and support farmers in the surrounding community as a whole.

Uganda

School supplies for a budget of €22,800 constitute the first Chocolate Bonus project in the Country. It was split into individual school kits for 800 children and 250 school desks benefiting 8 rural schools. We are aiming at growing our Cacao-Trace Program and Chocolate Bonus contribution in Uganda.

Cameroon

In Cameroon we have not yet been able to engage in a community project or cash distribution. The first implementation is foreseen to take place 2023.



* Some farmers do not collect their chocolate bonus if the sum is small (relative to their delivered supply). If after two distributions the funds remain uncollected the money goes into a community project.

2022 summary on Next Generation Cocoa Foundation

As we accelerate our cacao-trace program volumes the chocolate bonus continues to grow, resulting in significant funds and a need to reinforce our structure and human resource due to the scale.

The key to continued impact will be in strong implementation and execution of the investments on the communities. We will address this by growing the team and working with skilled partners on the ground.



**internal scoring review based on internal and External audit*

Conclusions and outlook

We are proud that following consistent sales growth of Cacao-Trace, our contribution toward Cacao-Trace farmers in 2022 is largely superior to what was collected in 2021. The Foundation is grateful to Puratos, Belcolade and their customers for their engagement toward sustainability and Cacao-Trace.

Looking forward we see a bright future for Cacao-Trace stakeholders.

In the years to come, the Next Generation Cacao Foundation is expected to collect an increasingly substantial bonus from the sale of Cacao-Trace certified chocolate products. We hope by doing so, to help improve the life of farmers further.

The foundation is dedicated to ensuring a long-lasting effect of the Chocolate Bonus. Consequently, it was decided that for every concrete project executed, a fraction of the future Chocolate Bonus will be allocated to the maintenance of the project. This will ensure that the investments in education and health infrastructures benefit to future generations as well.

Additional initiatives include a portfolio of community projects that can be proposed to Puratos & Belcolade customers who would be interested in the idea of going beyond the payment of the Chocolate Bonus. Those interested would have an opportunity to finance useful projects for the communities that grow the cocoa that Puratos Belcolade uses in its chocolate, such as social (literacy, education, health, etc.) or environmental initiatives (forest protection, reforestation, etc.). We are keen to make positive contributions in the long term in the countries in which we operate.

Governance

The Next Generation Cacao Foundation (private stichting/fondation privée) is an initiative of the Puratos Group, with worldwide headquarters in Groot-Bijgaarden, Belgium.

The Next Generation Cacao Foundation was established on 26 December 2017 being the legal successor of the previously Next Generation Cacao foundation VZW/ASBL established on 18 May 2016.

The foundation has three founders, all associated with the Puratos Group:

- Puratos Group NV
- Puratos NV
- Choco-Story NV

Statutory purpose

The object of the Next Generation Cacao Foundation is as follows:

- Contributing to the social, economic and ecological sustainable development of disadvantaged producers and workers in developing countries, more specifically cocoa producers, their families and subsequent generations;
- Promoting the concept and practice of fair trade in developing countries;
- Assisting all other good works and welfare works, without any distinction, and in particular contributing to and promoting sustainable cacao farming and related local development aid in developing countries;
- The specific activities through which the object of the Foundation is achieved include, among others: establishing and participating in similar non-profit foundations in developing countries, providing financial support for cocoa producers, improving their living conditions and providing schooling for their children.

The object of the foundation can only be amended by the founders unanimously.

Management

The Directors of the foundation are appointed unanimously by the founders for a period of maximum three years. The Directors can be reappointed.

The Board of Directors is authorized, within the boundaries of the law, the foundation's objective and the articles of foundation, to perform all actions that are necessary or useful to achieve the objective of the foundation.

The Board of Directors also has the decision-making power on behalf of the foundation with regard to establishing, participating in, joining or cooperating with similar foundations, organizations, institutions or non-profit organizations in developing countries.

The Board of Directors meets on average every quarter to discuss the activities and future strategy of the Next Generation Cacao Foundation.

From its establishment, the Board of the Foundation consisted of the following persons:

- Chairperson: Cédric Van Belle, President of the Board of the Puratos Group and Director at Choco-Story NV
- Secretary: Youri Dumont, Director chocolate business at Puratos
- Treasurer: Jean-Philippe Michaux, CFO at Puratos

The members of the Board of Directors are authorized to commit the foundation validly, by the joint signature of at least two Board members, in compliance with the Articles of Foundation.

The directors are assisted in their task by the following volunteers:

- Communication: Raphael Audoin Rouzeau, Global cocoa sourcing manager, Sylvestre Awono, Sr Product and Training Manager Chocolate, Selene Scotton Cacao sourcing manager APAC
- Legal and fiscal support: Lode De Zutter, Group Senior Tax Manager, Roel Straetmans, Legal and Tax Director at Puratos
- Financial support: Lola Hernandez, Controller of Puratos
- Administrative support: Lara Van Ginderdeuren, Finance Assistant
- Global Sustainability Manager: Laurent Thomé

The Directors and the volunteers were chosen for the diversity of their experience and knowledge.

The presence of representatives of the Puratos Group ensures that the philosophy of the founders is upheld.

Neither the Board members nor the volunteers receive any remuneration.

The accounting of the Next Generation Cacao Foundation is outsourced without costs applied to the accounting department of Puratos. We thank the accounting department for their support, especially Gaëlle Tieleman.

Government recognition for tax purposes

The Next Generation Cacao foundation is recognized for tax purposes in the following countries:

- Belgium: as from 2019
- The Netherlands: as from August 2021 under RSIN number 8264.78.499.
- France

It means that individuals or legal entities in these countries can make tax deductible donations to the Next Generation Cacao Foundation.

More information on: <https://www.cacaotrace.com/donations>

Financial report

in EUR '000			
Assets		Liabilities	
Bonus receivable from customers	609.268	Bonus to be distributed	2.256.966
Cash	1.654.268	Payables	6.570
	2.263.537		2.263.537

in EUR '000			
Income Statement	2020	2021	2022
Bonus received or to be received	455.458,00	1.000.935	2.021.572
Bonus distributed or to be distributed	(455.458,00)	(1.000.935)	(2.021.572)
Exceptional donations	80.489,00	0	0
Exceptional distributions	(80.489,00)	0	0
Operating results	(17.365,79)	(20.316)	(21.489)
Donations received from the Puratos Group	17.365,79	20.316	21.489
Total	0	0	0

in EUR '000			
Bonus distributed or to be distributed for 2022	2020	2021	2022
Vietnam	64.460	87.386	105.759
Philippines	34.426	39.004	42.943
Papua New Guinea	88.274	69.271	123.250
Côte d'Ivoire	231.460	769.982	1.574.035
Mexico	35.055	19.385	43.327
Uganda	0	16.096	52.293
Cameroon	0	9.845	3.841
Congo	0	0	57.936
Total	453.675	1.010.608	2.003.384

FINANCIAL TRANSPARANCY

Cash Distributions: Every year each cash distribution is individually audited at a local level with a third party (Deloitte). These reports are then used for the reconciliation and consolidated audit in Belgium at the end of the financial year.

Community Projects: budgets are monitored along with a cashbook and purchase proofs. This evidence are then consolidated for the annual foundation audit in Belgium.

www.cacaotrace.com

Next Generation Cacao Foundation
Stoofstraat 41 - B-1000 Brussel, Belgium

