

Annual Report 2021

OUR COMMITMENTS TO YOU AND FUTURE GENERATIONS

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Letter from the Chairman and CEO

GRI 102-14

2021 was again a challenging year due to the Covid-19 pandemic, which had a significant impact throughout the whole value chain but also highlighted the importance of sustainability and societal challenges. In this context, we aim to focus on healthy products, climate change, responsible sourcing and helping those that are close to us.

We believe that food has extraordinary power in our lives; the power to feed, to nourish, to comfort, to bring families together, to unite people of all backgrounds, to help us celebrate both monumental and small life moments, to put smiles on our faces, and even, the unique power to heal.

We do not take this great responsibility lightly, and that is why we are committed to a holistic operating model, one that is sustainable, respectful, and balanced.

To this end, we are implementing plans to achieve CO₂ neutrality, use water responsibly, and reduce waste. We aim to source our raw materials respectfully, and to ensure safe and stable revenue for farmers. We work in harmony with the communities we are a part of and invest in providing life-changing, educational opportunities in our Bakery Schools. We are committed to our employees and to create a caring working environment that welcomes diversity and promotes personal development.

Food innovation is energy for good and that is why we are constantly striving to grow our positive impact with the creation of innovative food solutions that promote health & well-being and steadily move businesses, customers, people, and the planet forward.



Eddy Van Belle
Chairman of the Board of Directors
Puratos Group



Daniel Malcorps
CEO
Puratos Group

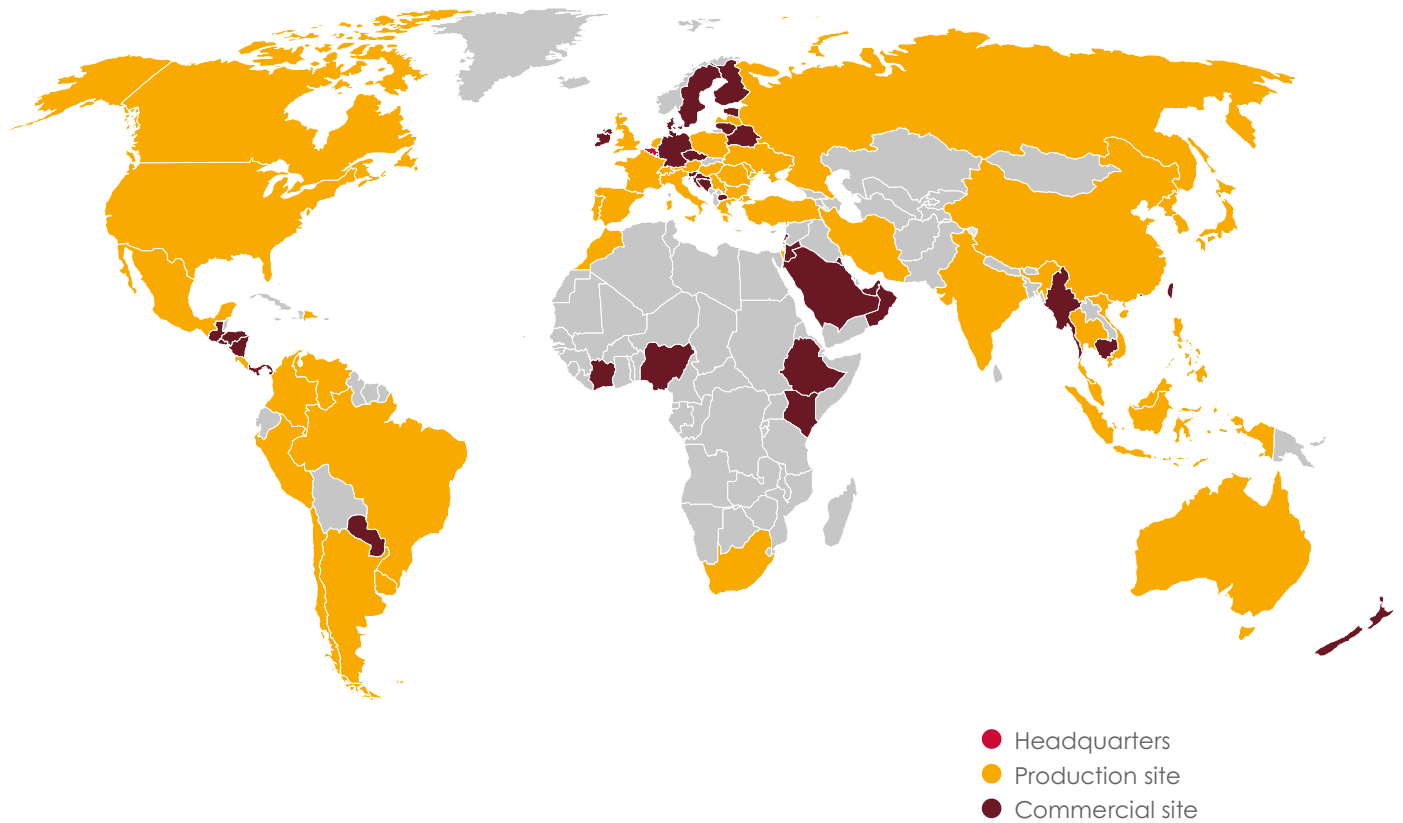




About Puratos

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Map of activities



Our Purpose

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

Our Mission

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

Our Values



Collaboration

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



Integrity

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



Passion

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



Quality

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



Courage

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



Vision

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



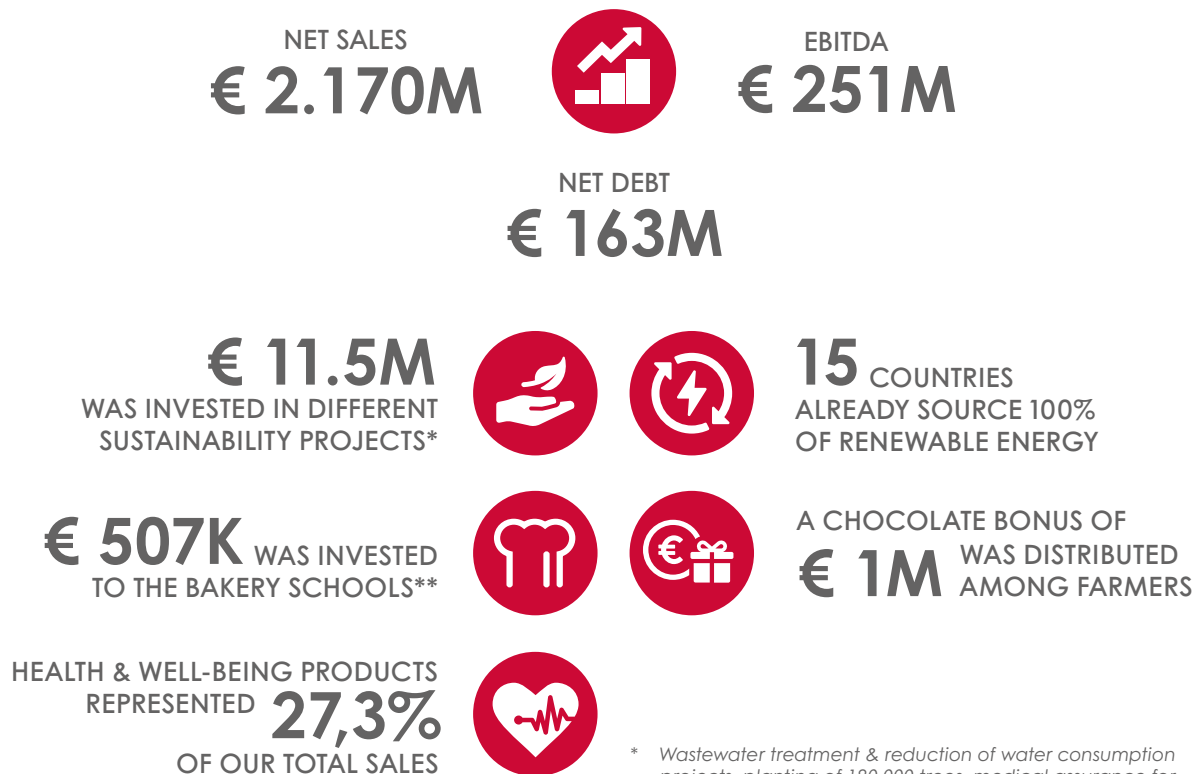
Puratos in a nutshell

GRI 102-7



Key financial and CSR figures in 2021

GRI 102-7



* Wastewater treatment & reduction of water consumption projects, planting of 180.000 trees, medical assurance for all employees etc.

** The bakery schools in India, Brazil, Mexico and the Philippines are financed directly via the Bakery School Foundation. The bakery schools in South-Africa and Romania are financed indirectly by Puratos Group NV.



01

Puratos' Sustainability Approach



Puratos' Sustainability Approach

Our sustainability strategy

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.

Puratos remains a family-owned company and our shareholders confirmed their vision of the company for the years to come; remain a family company with a strong financial performance and having a life-changing social contribution.

"Our commitments to you and to future generations" are getting more and more integrated in the way we do things at Puratos. We are conscious that we have a social and environmental responsibility in our entire value chain, going from the sourcing of raw materials up to the consumption of bakery products containing ours by consumers. We feel that as a responsible food company it is also important to deliver a substantial social contribution in all locations in which we operate.

We translated our strategy into three ambitions: Better Health, Better Life and Better Planet. These three ambitions cover our six sustainability commitments: Health & Well-Being, Responsible sourcing, Environment, Heritage, People and Communities. The decision to work on these six commitments is based on the interactions over time with our customers, suppliers and other stakeholders. Next to our six commitments, our Project Mars reflects our vision towards the future and our dedication to long term research to improve the quality of life on Earth.



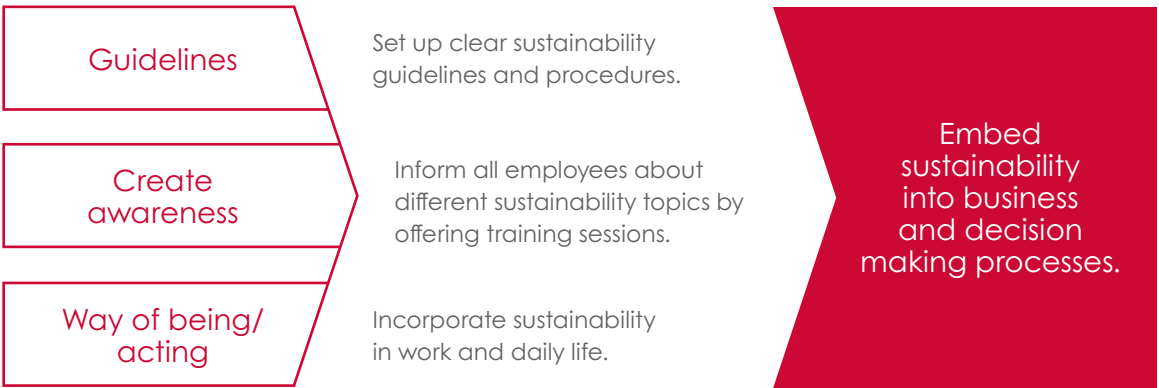
At Puratos we see sustainability as the answer to transform growing economic, environmental, social, and cultural challenges into opportunities. Sustainability aspects are incorporated in our business and decision-making processes; it is a way of being and a way of working. It is part of our 'Puratos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

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.

To implement this ambitious strategy, we involve our suppliers. We ask them to sign our supplier code of conduct, our ethical guideline for responsible sourcing. Our employees also play an important role. We engage our employees by creating awareness and giving sustainable tips that they can implement in their daily lives.





Puratos and the Sustainable Development Goals

In 2021 Puratos became a member of the UN Global Compact and we are committed to embedding its principles into our strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

Puratos fully supports the Sustainable Development Goals (SDGs) : we have linked the specific SDGs we contribute to positively to our sustainability commitments (see index at the end of this report) and included some examples of our contribution below. 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.





1. No poverty

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.



2. Zero hunger

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 136 sourdoughs of 27 countries, we contribute to the preservation of bread culture.



3. Good Health and Well-Being

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.



4. Quality education

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 95 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.

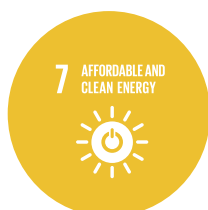
Thanks to our Bakery Schools in India, Brazil, Mexico, South Africa, Romania and the Philippines our students enjoy quality education that leads to job opportunities.

By collaborating with the local communities that are part of our Cacao-Trace program, new schools and infrastructure are built thanks to the Chocolate Bonus distribution.



6. Clean water and sanitation

By reducing part of our water discharge as an alternative source of water supply, our factory in Andenne was able to reduce its water use by 25%. As a result, our overall water footprint was reduced by 4%.

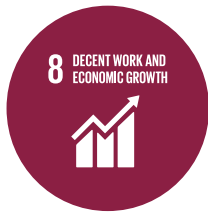


7. Affordable and clean energy

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.

By 2025 we will have installed solar panels in 39 countries and will be able to produce 17% of our electricity needs on site.

Thanks to the approval and launch of the largest project in the history of Puratos, our chocolate factory Belcolade in Erembodegem will become carbon neutral and double its capacity. It will run entirely on green electricity and thanks to the heat recovery using heat pumps, the site will become a world reference in terms of utility integration and energy efficiency.



8. Decent work and economic growth

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, 178 students graduated since 2016 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.



9. Industry, Innovation, and Infrastructure

By implementing a Master Plan Utilities, we 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.



12. Responsible consumption and production

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.



13. Climate action

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



15. Life on land

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.

By supporting the Rimba Raya project in Borneo, we will halt deforestation, restore degraded forests, and halt the loss of biodiversity.

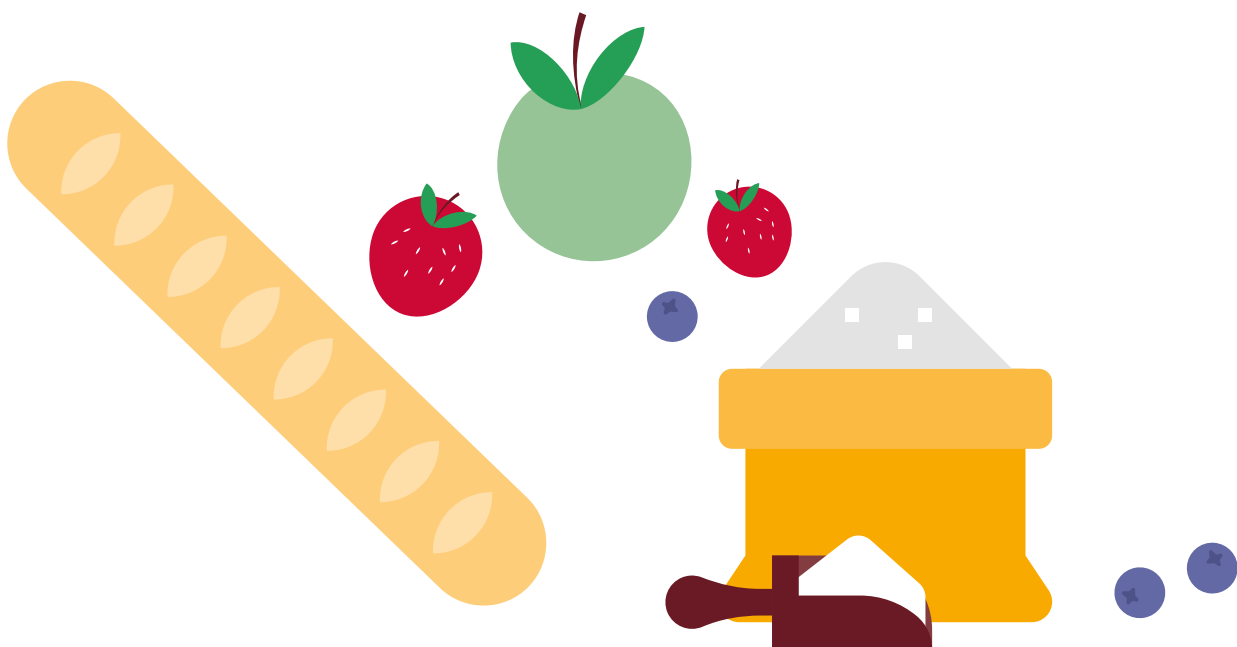


17. Partnerships for the goals

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



Better Health





Better Health

Health & Well-Being

Good health is the springboard to a fulfilling life, it fuels dreams and well-being. It enables people to spend more quality time, to enjoy the love in their life, to follow passions and to find happiness. Nutritious food and healthy diet are the base of good health. As a food company we are ready to play our part.

Healthy, natural and nutritious products

Material topic > healthy, natural and nutritious products

Material topic > health, natural and nutritious diet awareness

GRI 416



Our long-term objectives

Indirectly answering consumers healthy diet and lifestyle needs by

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

Key performance indicators 2021

- In 2021, we processed 16.951 tons of fruit into our fruit fillings. This is the equivalent of the harvest of nearly 340.000 fruit trees⁽¹⁾. This results in a year-on-year growth of 7% since 2016.
- In 2021, we used 41.949 tons of cereals and grains in our product solutions. This is the equivalent of the cereal harvest of 5,422 hectares of land⁽²⁾. This results in a year-on-year growth of 13% since 2016.
- In 2021, our innovations enabled to reduce 1.236 tons of sugar in baked goods. This is the equivalent of over 7 million sugar dispensers⁽³⁾. This results in a year-on-year decrease of 34 % since 2016.
- In 2021, we removed 9.264 tons of fat thanks to our innovations. This is the equivalent of 8.768.865 bottles of oil⁽⁴⁾. This results in a year-on-year decrease of 27% since 2016.
- In 2021, we removed 110 tons of salt, an increase of 6% vs 2020. This is the equivalent of over 950,000 saltshakers⁽⁵⁾. This results in a year-on-year decrease of 22% since 2016.
- H&WB products represented 27,3% of our total sales

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, the Well-Being topics are driven by consumer perception that they are better for them.

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 updated and published its nutritional guidelines in 2021, which act internally and externally 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-depth 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.

(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

(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.



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

Grains & Seeds Guidelines

Increase the quantity of grains and seeds in our products and stimulate 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, with no or little compromise on taste and texture.

Gut Health Guidelines

Include or increase, whenever possible, the amount of gut health promoting compounds, such as specific types of fibres, in our products with the aim to help consumers maintaining a balanced gut microbiota.

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

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

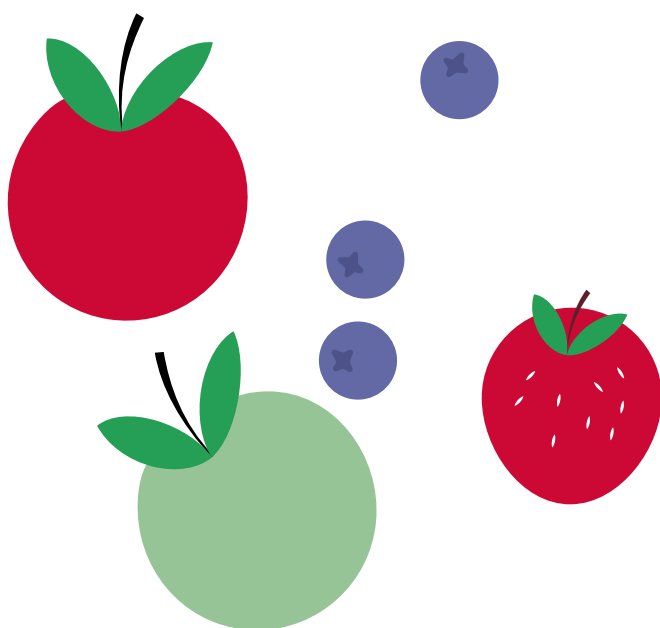
Provide, whenever requested by the consumer, nutritionally balanced gluten-free alternatives with a taste and texture as close as possible to the reference.

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. In this report, the focus of our R&D activities is to find alternatives to replace butter, dairy, eggs or animal-based proteins.





Safety and Quality of our products

Material topic > Food quality and safety

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 2023, the top 10 countries should have acquired the Golden Unicorn.
- By 2026, the top 20 countries should have acquired the Golden Unicorn.
- By 2029, 50% of all countries should have acquired the Golden Unicorn.

Key performance indicators 2021

- 97,5% of Puratos products are produced by Puratos facilities which have been certified by one of the GFSI acknowledged certification standards (BRC, IFS, SQF, FSSC22000).
- 15 subsidiaries received the Golden Unicorn standard.

The objective was to reach 100% of Puratos facilities certified according to one of the GFSI standards by 2021. 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.

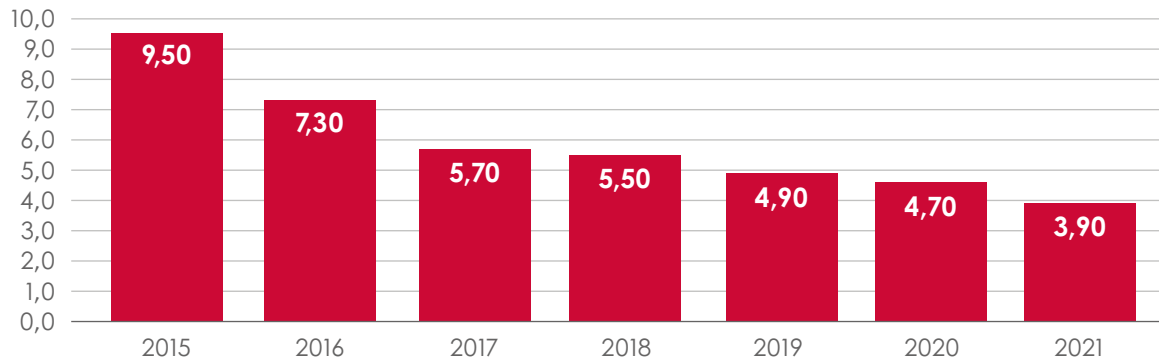
When we are informed about possible quality and food safety issues related to one of Puratos' branded products, our crisis management procedure, which is a group rule, is started. In 2021 we have identified some situations related with food safety compliance and voluntary product recalls were conducted:

- In January 2021 we were impacted via a request of recall via FAVV due to Cadmium presence above legal limit in 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.
- In August 2021 due to a breakage on a production line, we had to inform customers of the risk of having ceramic pieces in one of the paste improvers. Most concerned product was stopped before reaching customers and a limited quantity was returned from customers
- In September 2021 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 types of seeds, switch Indian origin to other origins such as American or African.



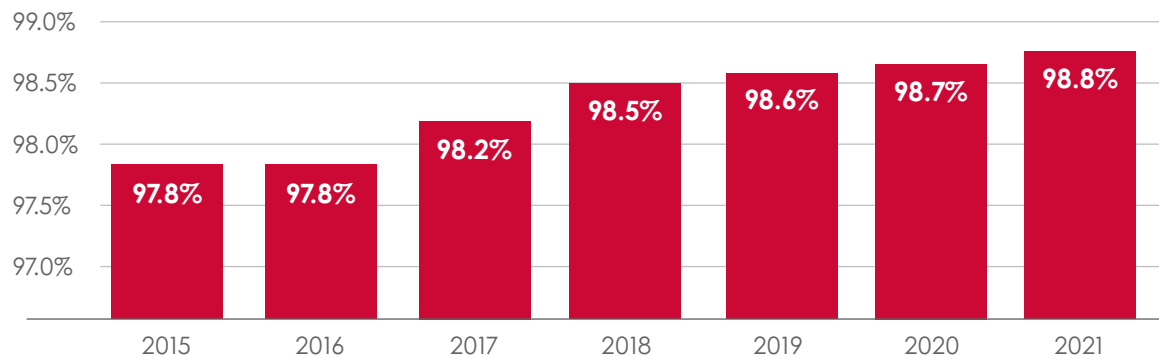
In spite of the incidents detailed above, we have been consistently improving our performance in customer complaints per 1000 tons delivered, reaching a value of 3,9 complaints per 1000 tons produced in 2021.

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

QUALITY - RFT (%) TON BLOCKED / TON 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.

03



Better Planet





Responsible Sourcing

GRI 102-9

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.

Our commitment to ethical trade practice

Material topic > transparent and responsible sourcing

Material topic > environmentally friendly products and sustainable ingredients

GRI 204

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.

We ask our suppliers to sign our Supplier Code of Conduct or to share theirs with us to make sure we develop sustainable and ethical value chains. 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 Code of Conduct to our customers upon request to ensure full transparency. It represents our moral commitments to the different players throughout our value chain.

Besides our Supplier Code of Conduct, we also have policies related to specific raw materials such as palm oil, cocoa, and fruit. These policies are the result of a cross-departmental collaboration. Different persons from the quality, purchasing, specific BU and sustainability team work together to develop a policy where we ask our suppliers to 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.
- Being compliant with local environmental regulations and conservation, excluding deforestation and the use of harmful pesticides.

These policies are reviewed and approved by the sustainability steerco in a first instance. Afterwards the policy and strategy are presented to the Board of Directors for approval.

In 2022 we will also start to follow up actively with our suppliers on their compliance with our Code of Conduct. In a first instance we will use SEDEX to map our suppliers into high risk, medium risk and low risk categories. For those suppliers that are indicated as high risk, we will investigate their non-conformance points and if necessary, perform on-site supplier audits.

Human Rights and Child Labour

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

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.

Traceability

Puratos has a group procedure in place that covers the traceability of all raw materials, (semi-) finished products and food contact packaging.

First of all, each raw material, finished product or packaging has a clear and adequate identification number. Our traceability system allows us to trace forward (from raw materials to finished product) and backward (from finished good back into manufacturing processes up to raw material) throughout our whole supply chain. Our traceability system is tested minimum once a year.

Each of our subsidiaries needs to make sure that each of its suppliers of raw material and food contact packaging has an efficient traceability system in place which can be managed through supplier questionnaires, Puratos requirements towards suppliers and supplier audits.

Sustainable partnerships and certification schemes

GRI 102-13



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 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 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 & Forests 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.



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.



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 the chairman of Fedima's sustainability committee.



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.

Our commitment to sustainable palm oil

Material topic > transparent and responsible sourcing

Material topic > environmentally friendly products and sustainable ingredients

GRI 204

Our long-term objectives

- By the end of 2025, all palm oil purchased by the Puratos Group will be RSPO certified under the supply chain model RSPO Mass Balance, if not Segregated.

Key performance indicators 2021

- 31 productions sites are currently RSPO certified. In 2021 Puratos Russia and Puratos Greece joined the multi-site certificate.
- We increased the purchase of sustainable palm oil from 39% in 2020 to 44% in 2021 under the supply chain models of Mass Balance⁽¹⁾ and Segregated⁽²⁾. Due to the scarcity of palm kernel oil credits, we were not able to compensate 100% of the volumes of non-certified palm oil products. We do aim to redeem those credits in the coming years or to invest the same amount in a project contributing to the production of RSPO certified palm oil.

Our approach

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 eco-systems, 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 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.

(1) Sustainable palm oil from certified sources is mixed with conventional palm oil throughout the supply chain.

(2) Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout the whole supply chain.



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 continued in 2021.

In 2021, Puratos 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 > transparent and responsible sourcing

Material topic > environmentally friendly products and sustainable ingredients

GRI 204

Our long-term objectives

- By 2025, Puratos will have planted 1.6million trees in its direct Cacao-Trace cocoa supply chain to promote climate-smart farming technique, provide additional income and sequesterate carbon.
- By 2025, all chocolate produced and sold by Belcolade will be sustainable (in accordance with Beyond Chocolate).
- By 2030, cocoa growers will earn a living income (in accordance with Beyond Chocolate).
- By 2030, deforestation due to cocoa growing for the Belgian chocolate sector has ended (in accordance with Beyond Chocolate).

Key performance indicators 2021

- Our share of sustainable cocoa increased from 27% in 2020 to 36% of which 15% was through our audited Cacao-Trace programme (vs. 10% in 2020)
- 180.000 trees planted

Our approach

Cocoa is an essential raw material for the production of real chocolate, coating chocolate, fat-based fillings, and bakery mixes. We are very much engaged in creating a sustainable future for the next generations through close collaboration with key stakeholders and 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 which we ask our main suppliers to sign.

We are committed to a cocoa supply chain that respects ethics and integrity, two elements included in our Supplier Code of Conduct which supports our ongoing commitment to the implementation of international standards such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organisation (ILO) and the ten principles of the United Nations Global Compact. These standards are in addition to our own efforts to cover every link of our supply chain, tracing right back to the farmers and plantations.

Puratos believes that protecting human rights throughout its supply chain is a critical part of its mission. Guided by the International Labour Organization's Declaration on Fundamental Principles and Rights at Work as a minimum, Puratos expects every supplier to uphold these standards. At global level, Puratos commits to the ILO conventions below, that there must be:

- No discrimination based on race, colour, religion, nationality or social origin
- No forced labour
- No unacceptable form of child labour⁽³⁾
- No exploitation of people or local communities.

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

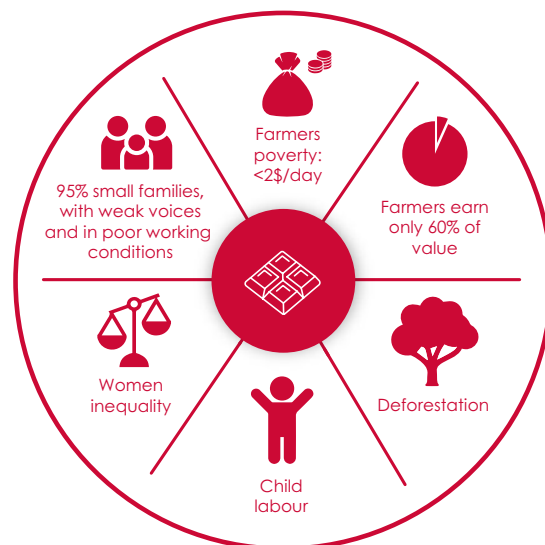
- No deforestation, but also forest restoration: tropical forests hold large stores of carbon and contain rare, threatened or endangered ecosystems that are critical for local communities. Forested areas of high carbon stock (HCS) and high conservation value (HCV) are therefore being protected, whilst rights-based restoration of forest areas is being implemented.
- Agroforestry: sustainable and climate-smart cocoa farming enables producers to maintain critical habitats and regenerates the natural capital of soil, water and natural ecosystems.

Cacao-Trace: our commitment to sustainable cocoa

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.



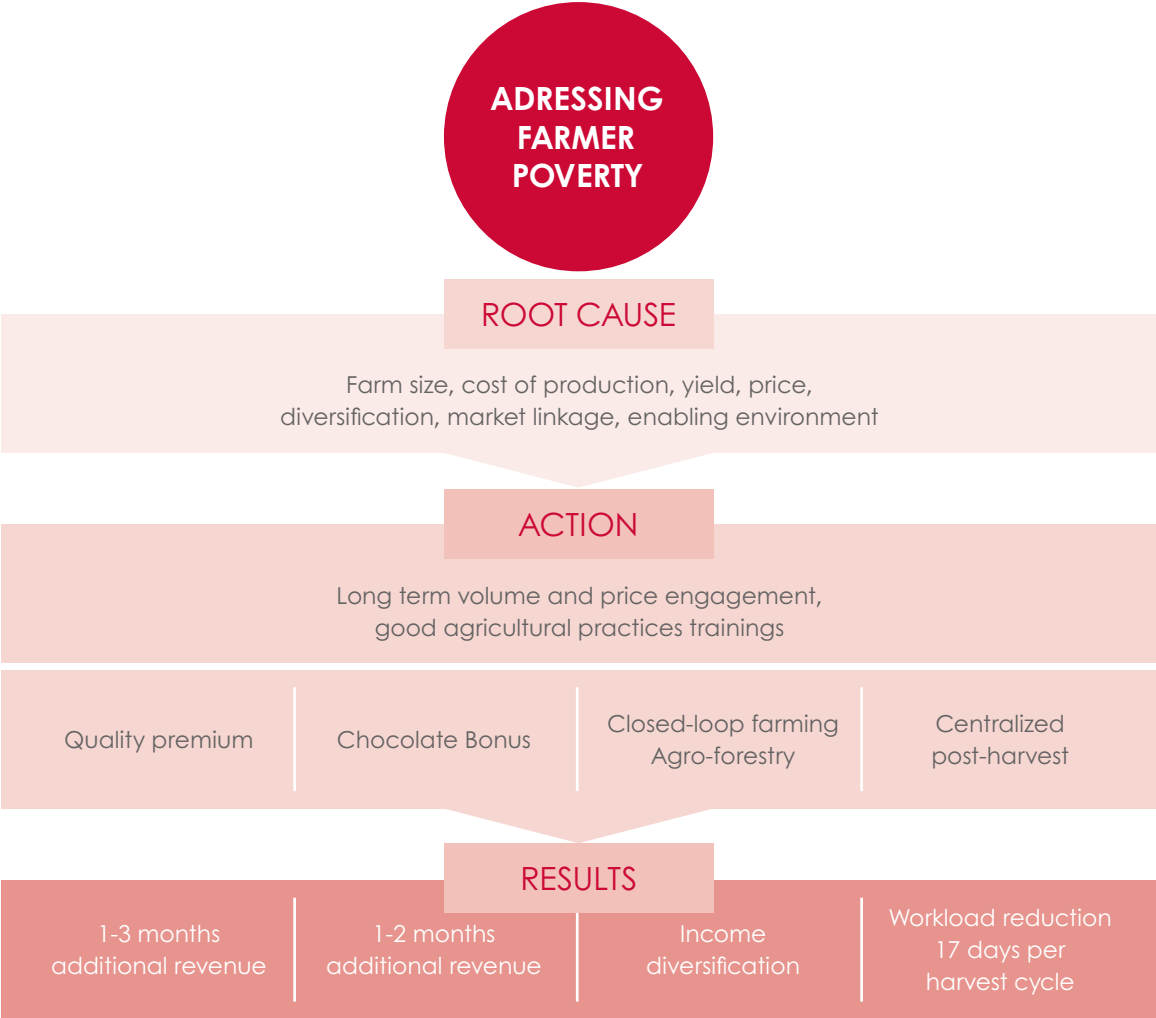
⁽³⁾ Unacceptable child labour is defined as underage (below 15) unsupervised work, and/or underage (below 15) with excessive hours, and/or underage (below 15) which comprises school attendance. Worst forms of child labour include hazardous activities (age inappropriate), exploitation and trafficking.



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. All financial transactions must be controlled and registered, in order to monitor the quantity of beans purchased and to prove that farmers are being paid. We collect evidence that demonstrates the implementation of a procedure for receiving the pods and/or beans and the payment to the farmer.

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.

Addressing farmers' poverty



Currently 9.438 farmers benefit from the Cacao-Trace initiative in Vietnam (2013), Ivory Coast (2015), the Philippines (2017), Papua New Guinea (2018), Uganda (2018), Mexico (2018) and Cameroon (2020).

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 > transparent and responsible sourcing

Material topic > environmentally friendly products and sustainable ingredients

GRI 204

Our long-term objectives

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

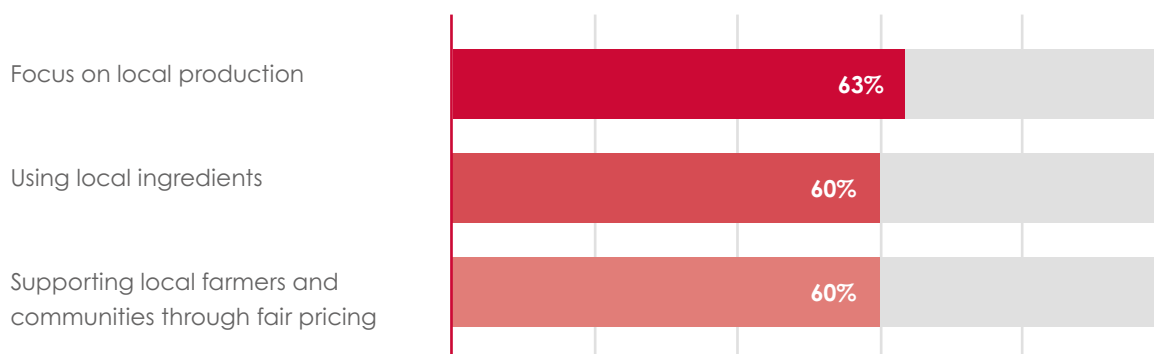
Our approach

Our annual Taste Tomorrow consumer research revealed that 66% of consumers wants to be informed on where their food comes from and how it is made. The bar is being raised for food producers, who are expected to be transparent and make efforts to improve their environmental and social impact. That is why Puratos started a transparent and sustainable fruit sourcing program that brings value from farmer to consumer.

Keeping conscious consumers happy

66% of consumers believe food made with local ingredients is better for the environment. Conscious consumers want to support local farmers with fair pricing and prefer products that are locally produced. Puratos is already locally sourcing different kinds of fruits such as apricots, apples, blueberries and other.

CONSUMERS ARE INCREASINGLY LOOKING FOR PRODUCTS/COMPANIES THAT DO MORE TO PRESERVE THE ENVIRONMENT THROUGH:





More fruit, less of the rest

Short supply chains make sure we can use fruits at their prime. The harvested fruits are quickly processed to maintain the optimal flavour, so you get the most appetizing cakes and pastries. Our motto is 'more fruit, less of the rest', so the natural characteristics of the fruits are put in the spotlight. The sustainably sourced products contain up to 90% top-quality fruit! We use local varieties as much as possible to highlight regional heritage, carefully balancing between innovative techniques and classic consumer tastes.

Transparency from field to fork

We believe that local and transparent ingredient sourcing is an integral aspect of sustainability. Moreover, Puratos is committed to contribute to the communities in which we operate. That is why we source fruits locally as much as possible, from apple farmers in Mexico to blueberry growers in Canada. Not only do we get delicious fresh fruit, but we also benefit from the knowledge of farmers from all over the world. While they themselves profit from our cooperation.



Responsible sourcing, better planet

All shareholders benefit from the local fruit production: the farmers, first transformers, customers and end consumers. In order to create value across the chain, we work closely with local farmers and their community. Sr Angel, the owner of an apple farm in Mexico, is receiving a fair price in exchange of farming practices in line with our responsible fruit sourcing policy. With a peace of mind on fair pricing, he can then focus on what he is doing best: taking care of his apple trees to deliver the best apple - creating value across the supply chain from his communities to the final consumer. Extra income for the fruit growers is created by the valorisation of second grade quality fruits, creating a new stream of revenue.

Our commitment to animal welfare

Material topic > Transparent and responsible sourcing

Material topic > Environmentally products and sustainable ingredients

GRI 204

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.

Key performance indicators 2021

- In 2021, 22% of our eggs sourced came from alternatives to breeding cages.

Our approach

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



Environment

GRI 102-11

GRI 102-12

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 its carbon footprint, water consumption and waste generation. We have clear objectives: become CO₂ neutral by 2025 and water balanced by 2030. Puratos adheres to the Precautionary Principle and does not take action if the consequences are uncertain or potentially dangerous for the environment or human health.

Carbon neutral and water balanced

GRI 302-1

GRI 302-4

GRI 303-4

GRI 305-1

GRI 305-3

GRI 305-5

GRI 302-3

GRI 303-3

GRI 303-5

GRI 305-2

GRI 305-4

GRI 306-1

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

Material topic > Greenhouse gas emissions

Our long-term objectives

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

Key performance indicators 2021

- Our operations in Vietnam, Thailand and the chocolate factory in Brazil became carbon neutral.
- Puratos achieved a 30% reduction in its CO₂e scope 1 and 2 emissions compared to what we would emit without doing anything (see graph next page), as well as its energy efficiency target (8% reduction in CO₂ per ton produced vs 2020).
- In 15 countries 100% of energy sourced is renewable
- 180.000 trees were planted in the Philippines, Vietnam, Mexico, Papua New Guinea, Ivory Coast and Uganda.



Our approach

Puratos commitment to achieve carbon neutrality for its operations by 2025 is a strong indicator of the importance and urgency we place on climate change.

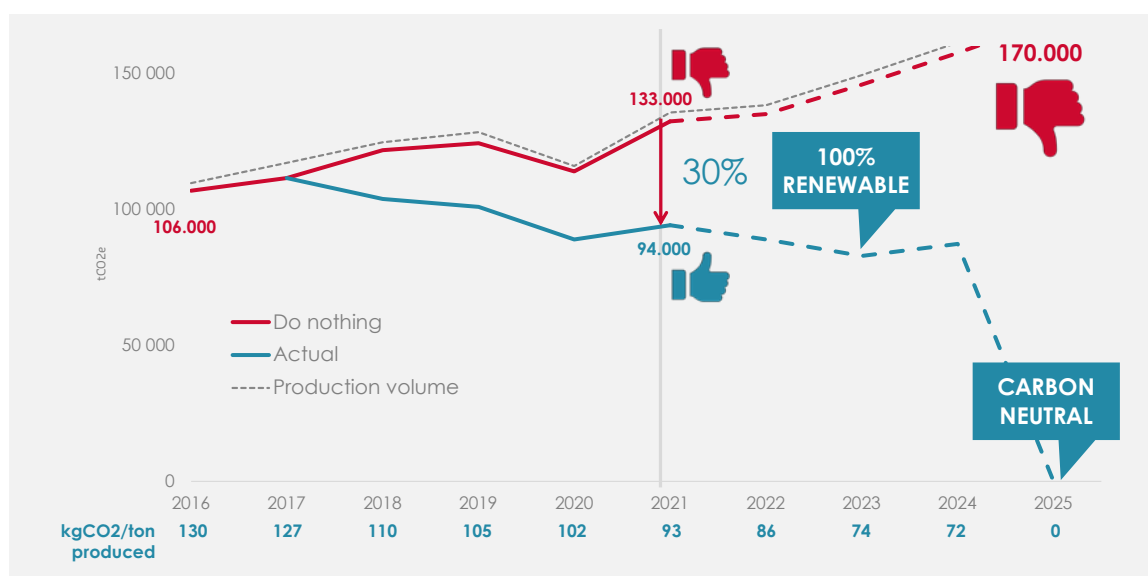
Puratos' first carbon-neutral factories.

In 2021 in Vietnam, Thailand and the chocolate factory in Brazil became carbon neutral and obtained the CO₂-NEUTRAL label from Vinçotte according to the PAS 2060 international standard for CO₂ neutrality, which guarantees credible climate action. In the case of Vietnam it is the entire company Puratos Grand-Place Vietnam who became carbon neutral including, on top of our production, employee commuting, operational waste, business travel and, supply chain transportation and distribution.



In 2021 Puratos has already achieved a 30% reduction in its Scope 1 and 2 CO₂ emissions compared to what we would emit without doing anything (see graph below). To achieve carbon neutrality in 2025, the focus is on three dimensions:

- Energy efficiency
- Renewable energy
- Carbon compensation (removal of CO₂ by planting trees).





Energy efficiency is using less energy and being more efficient, for example by investing in more efficient new technology, energy recovery, utility optimization, process optimization, and preventive maintenance. In 2021 Puratos invested €3.1 million in 45 energy efficiency projects.

In 2021 Puratos achieved its energy efficiency target with a 11% reduction in MWh per ton produced compared to 2020. This is also a 7% reduction compared to 2019 (before Covid). This represents an economy of scale of 6.700 tCO₂e.

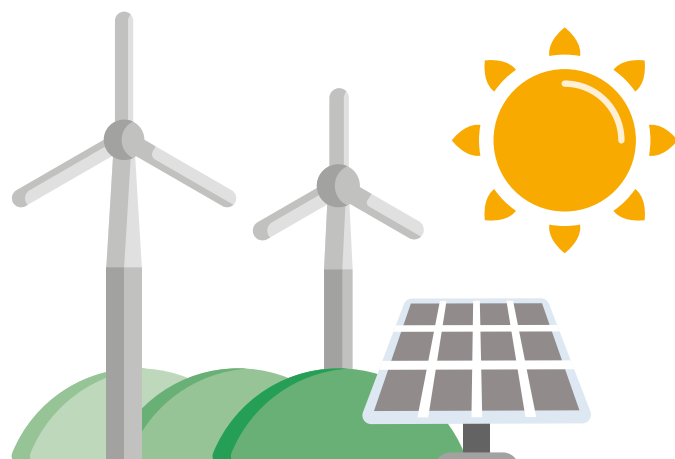
Belcolade expands and will become the world's first CO₂-neutral Belgian chocolate factory. In 2021 we approved and launched the largest project ever in the history of Puratos, doubling the capacity of our Belcolade factory. In accordance with our commitment, the entire site will be carbon neutral. It will run entirely on green electricity and no fossil fuels will be used. Thanks to the heat recovery using heat pumps, the site will become a world reference in terms of utility integration and energy efficiency. In addition, 90% of the site annual water supply will come from rainwater harvesting.

In terms of **renewable energy**, Puratos carries out numerous actions, including solar panels.

So far 36.000 m² of solar panels have been installed on-site in 12 countries, this is equivalent to 7 football fields. Puratos plans to add 27 other sites by 2025 so an extra 18 football fields, allowing us to produce 17% of our electricity needs on site.



In addition, Puratos already source off-site 100% renewable electricity in 15 countries (Belgium, China, United States, Spain, Portugal, France, Italy, Latvia, Romania, United Kingdom, Mexico, Brazil, Russia, Thailand, Vietnam). These countries represent 80% of Puratos' electricity consumption. Our goal is to reach 100% renewable electricity in all operating countries by 2023.



Regarding **carbon removal**, instead of simply offsetting carbon emissions by buying carbon credits, Puratos chose to plant trees in its value chain.

Under the "Cacao-Trace" program, farmers who volunteer are trained to abandon unsustainable monoculture and shift towards agroforestry system. Agroforestry is planting different type of tree (timber trees, fruit trees, nitrogen fixing trees) inside and around farm parcel. Both farmers and Puratos benefit from this agricultural model. Those additional trees will capture CO₂ in their trunks and roots, helping Puratos achieve its CO₂ reduction goal.

In 2021 Puratos planted 180.000 trees in the Philippines, Vietnam, Mexico, Papua New Guinea, Ivory Coast and Uganda.

In 2022 Puratos aims to plant 270,000 trees. By 2025, Puratos aims to plant over 330.000 trees per year. Puratos financially and technically supports its community of farmers in tree plantations with the help of its partner "PUR Projet".



Water footprint

Material topic > Water stewardship

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 2021

- We reduced our water consumption by 8,7% per ton produced (vs 2020).
- €1.1 million invested in projects regarding wastewater treatment (8 projects) and the reduction of water consumption (3 projects).



Our approach

To achieve water balance in 2030, Puratos focuses on three dimensions:

- Water efficiency
- Safe water discharge
- Water stewardship initiative (external action in supply chain, wider basin health).

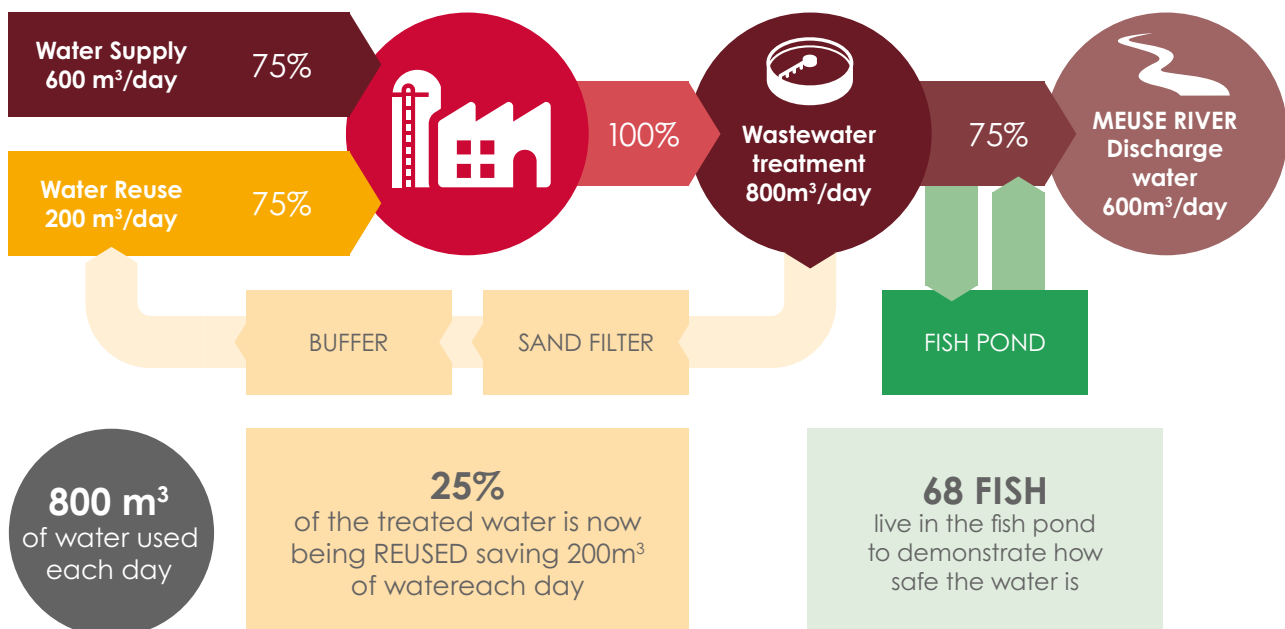
Since 2019 a water-related risk tool and methodology have been defined, allowing a transparent, structured and common approach in order to accurately identify and quantify water-related risks on and off sites. Many water-related risks arise from external factors, such as local environmental conditions and public water management policies.

In 2021 Puratos reduced its water consumption per ton produced by 8,7% compared to 2020. This is also a reduction of 5% compared to 2019 (before Covid). This represents an economy of scale of 180.000 ML per year.

Puratos 2021 water withdrawal was 2 billion liters of which 10% is used as ingredient, 15% is evaporated for cooling and 75% ends up in the form of wastewater to be treated... Half of the wastewater is treated by urban treatment plants, the other half is treated on site in our own wastewater treatment plants before being discharged in rivers.

In 2021 Puratos invested €1.1 million for wastewater treatment (8 projects) and to reduce water consumption (3 projects).

In January 2021, Andenne site commissioned its project to reuse water after treatment. A part of our water discharge is being reused as an alternative source of water supply, thus reducing Andenne water use by 25%. Puratos' overall water footprint has been reduced by 4% thanks to this project.



Internal waste

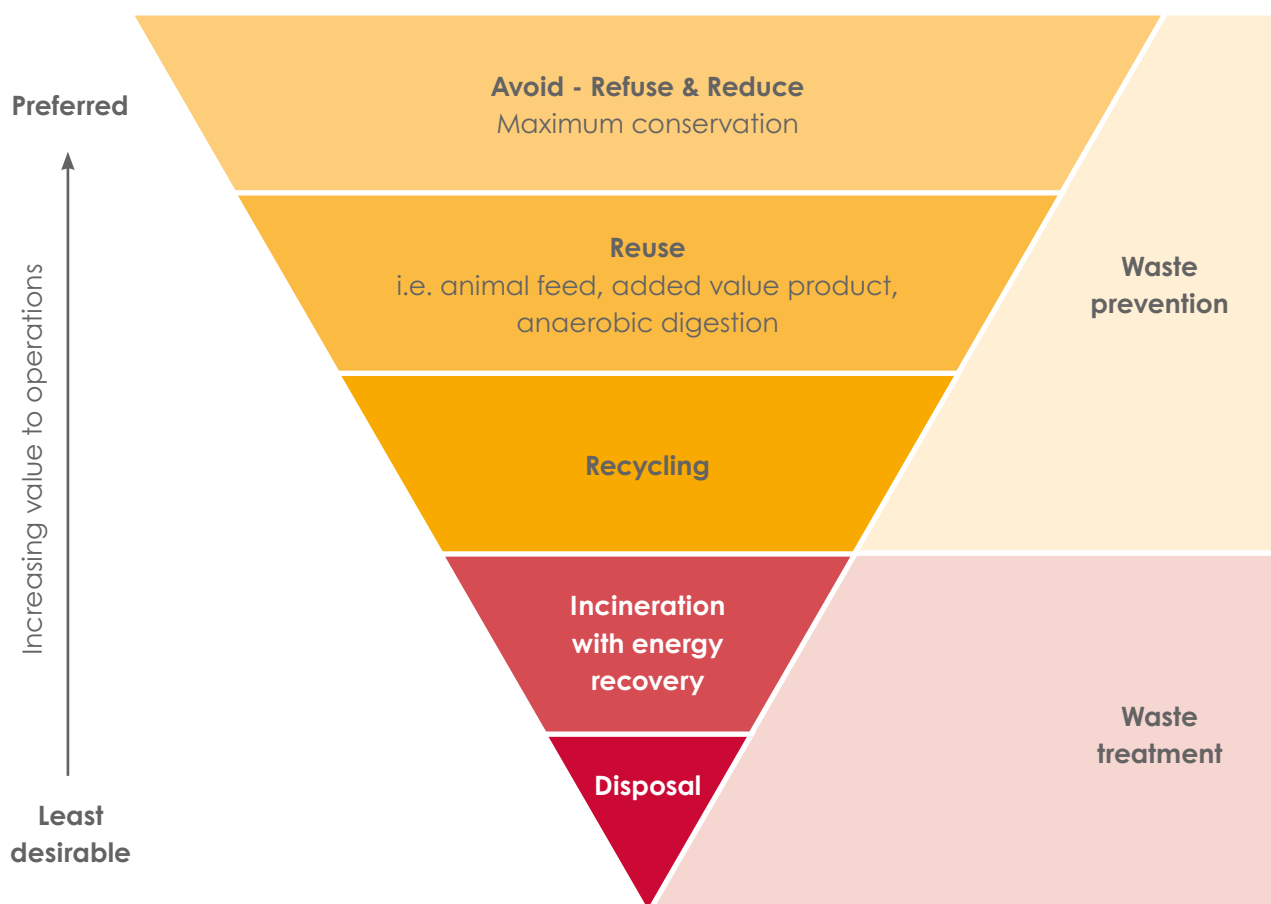
Material topic > Non-food waste

Our long-term objectives

- By 2030, we will send zero waste to landfill worldwide.
- By 2030, we will reduce our waste (everything that is not recyclable or reusable) by sorting correctly and by promoting the circular economy.

Our approach

Waste management and environmental protection go hand-in-hand. Energy recovery and disposal are last-resort actions for non-recyclable waste. Our core principles of waste reduction include refuse, reuse, recycle and reduce as much as possible.



To reach these ambitious targets we have started a worldwide reporting to collect data insights on the type of waste we create and the way it is treated. Webinars were scheduled to educate our colleagues worldwide on this topic and to make sure that data is received in a standardized form.



Packaging

Material topic > Sustainable and circular packaging

GRI-301

Our long-term objectives

- By 2025, 100% of our outgoing packaging will be fully recyclable or reusable and will be optimized to reduce our products' environmental footprint.
- By 2025, we will source 100% of our virgin paper and wood packaging in Europe from certified sustainable forestry.

Our approach

Puratos sets the target to become 100% recyclable or reusable on its packaging and reduce its environmental impact maximally by 2025 (Scope 3). This target has been transformed into production site and R&D objectives, resulting in innovation 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.

Puratos contributes to sector and public initiatives on food packaging sustainability, with a focus on its activity within its European federation (FEDIMA) and European network organizations (EITFood), to promote and create awareness on circular packaging throughout the entire value chain in bakery, patisserie and chocolate products.

Puratos monitors its packaging sustainability evolution and performance in multiple dimensions. Design-to recycle, reuse and reduce are in accordance with international, mainly European, guidelines on best practices to put packaging materials as sustainable as possible on the market (example: Recyclclass ⁽¹⁾, Ceflex ⁽²⁾ and CEPI ⁽³⁾).

Status and progress on Puratos packaging sustainability KPIs are tracked on a continuous base via our SAP/BI system and allows to set (local) priorities:

1. Tons of packaging being recyclable, reusable, not recyclable or reusable.
2. Tons of finished goods (Puratos scope) produced unrecyclable, reusable, not recyclable or reusable packaging.
3. Tons of packaging / tons of finished goods (Puratos scope).
4. % paper and board materials in FSC® certified.

This abovementioned priority approach is reinforced and supported by Puratos' sector organization FEDIMA, having published its statement ⁽⁴⁾ on sustainable packaging in November 2021.

Puratos has the objective to extend this strategy to its Scope 3 (incoming packaging from its suppliers) by 2025.

(1) Recyclclass.eu

(2) Ceflex.eu

(3) CEPI.eu

(4) Fedima.org

Puratos focused in 2021 on its 5 Belgian affiliates, representing \pm 20% of Puratos packaging volume sourced. By end of 2021, 89% of this volume was recyclable-ready or reusable. During 2022, this focus will be expanded to the top 10 Puratos countries in terms of packaging volumes, with the aim to reach 90% recyclable or reusable by end of year. 2023 – 2025 targets will be further built on this approach.

Our focus areas are specifically in the field of multilayer paper-plastic bags for packing powder products, multilayer plastic flexibles f.i. for packaging chocolates and a focus on pooling options for secondary or tertiary packaging (reusable).

Our packaging sustainability key initiatives and priorities are reviewed by our Board of Directors at least twice a year. Senior level responsibility lies with the Group Packaging Development Manager, Group Purchasing Manager Packaging and Group Sustainability Manager, who reports to the Group R&D Director, the Group Operations Director and the Group Finance Director, respectively.

Food waste

Material topics > Food waste

Our long term objectives

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

Our approach

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 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 under the better life 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. Our bread improver S500 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 results. 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



Better Life





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 5.000 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 cocoa garden where we preserve the 5 native Mexican cocoa varieties.

Key performance indicators 2021

- 136 sourdoughs from 27 countries are stored in our physical library in St. Vith.
- Over 2.500 sourdoughs from over 2.007 cities have been registered in our digital library since September 2016.

Bread

Material topic > Thought leadership and 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 2021 the sourdough library contained 136 samples from 27 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's 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.

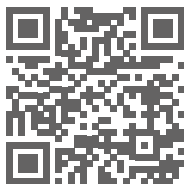
What is sourdough?

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://sourdoughlibrary.puratos.com/en>



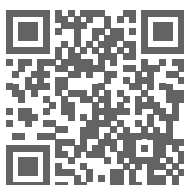
UK, Northampton

<https://youtu.be/9SyTfUtRWaY>



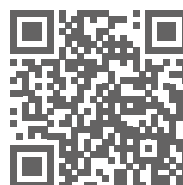
China, Baixiang, Wuxi

<https://youtu.be/68QkRv20XHY>



Japan, Tokyo

https://youtu.be/b-UZGT_SfkE





“The Quest for Sourdough”

Paratos 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

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 2.500 sourdoughs from 2.007 cities in 99 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.

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 > Thought leadership and 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. Ten museums are already open in Bruges, Brussels, Paris, Colmar, Prague, Pruhonice, Uxmal, Valladolid, Playa del Carmen 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 an initial surface of 300 hectares, we already planted 60 hectares of criollo type cocoa trees, 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.



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, a small plantation with the five varieties has been 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.

We have also installed in cooperation with a local family in Pichucalco in the Chiapas region, another 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





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:



Our **Vision** defines our future by building on our present. It links our strategy with our purpose, paving the road for our teams

to execute with excellence. Vision allows us to dream big, tackle and overcome obstacles, and set new ambitions.



Courage means acting with confidence and optimism when facing adversity. It pushes us to explore new

solutions, to innovate, to improve continuously. Courage enables us to take calculated risks in the pursuit of our vision.



Passion is what inspires us. Passion for bread, patisserie and chocolate, passion for our people, our culture, our

customers, our communities, the planet and our results. Passion gives us a higher sense of purpose; it enables us to think long-term while delivering short-term results. Passion pushes us to accomplish what initially seemed impossible to delight our customers.



Quality is the standard by which we measure all actions. It is our ambition to get them right the first time, and

always striving to learn and improve. Quality is everyone's responsibility, as we push for the highest standards and continuously improve the ways we operate.



Integrity is our moral compass. Guided by moral and ethical principles, we treat people with respect, with our values always

defining our actions. We have zero tolerance for unethical behaviors.



Collaboration is how we choose to win. Great things happen when our teams work closely together, combining

their diverse backgrounds, experiences, and strengths.

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?



Tundes Lemes (Hungary, Sales Manager)

"For me, Puratos is the perfect balance between stability and change. I've been working with many excellent colleagues over the years and they have become like a second family to me. The projects we deliver fill me with joy and pride. At the same time, the different positions and tasks also provide me with challenges to improve, which is just as important! Thank you and I wish many more great years at Puratos to every colleague!"

Nicolas Greiner (USA, Operations Director)

"I knew there was something special about Puratos when I joined in 2016. Part of my interview process included a sit-down meet and greet with the entire senior management team. Each person took the time to get to know me a little before I even started. After that, I knew teamwork and a positive culture were truly important at Puratos."



Sarah Dalton (Australia, Finance Director)

"I have been working in the Australian subsidiary since it started seven years ago. I feel very fortunate to have seen it grow into the company that it is today. Puratos is the most unique "family" company I have ever worked for, and I am continually motivated to reach my highest potential."



Fabienne Verté (Belgium, Sr. Research Manager)

"Puratos gave me life opportunities. Meeting new people inside and outside the organisation, getting in touch with different cultures, understanding how complex bakery, patisserie and chocolate can be and of course developing a passion for fermentation. This year, my daughter got a great opportunity too. She applied for an Erasmus exchange program on the topic of sustainable chocolate. Thanks to our great Cacao-Trace story, she was selected and had a wonderful stay at Barcelona to delve deeper into the topic."

Laurent Langevin (Ivory Coast, General Manager)

"During these last thirteen years, I shared the Puratos Magic in Morocco with a beautiful team of 170 people as well as a qualitative regional management. We take up challenges with passion, sometimes in difficult conditions but always with courage and team spirit. We never give up! We work seriously and fully ethical, without taking ourselves too seriously. We challenge each other, we laugh, we share great moments, and we also cry when we separate. Today, Puratos challenged me with the development of a new subsidiary and a sourcing unit in Ivory Coast. Tomorrow, I welcome the second employee of Puratos Côte d'Ivoire. A new team will be born soon to live a new adventure of Magic and success."



Danielle Arraes (Brazil, Regional HR Director)

"Although I have been part of Puratos for only two years out of the 100, it feels like a lifelong journey. I have become a better professional and a better person. I feel challenged, supported and valued. And it is great to see that my family feels the Magic too! I will never forget the day I saw my daughter baking her own bread and her eyes shining with pride and joy."

Laurence Herbert (Belgium, H&WB Director)

"The passion for Puratos is contagious. My ten-year old son has two dreams in life: becoming a player of the Belgian hockey team and becoming a successful chocolatier. My daughter, who is eight, frequently asks what new recipe we have developed that she can try at home. Together, we are baking the future."





Girija Sumant (India, R&D Manager)

"The family-like work environment is the most integral part of the Puratos culture. In my years here, I have always experienced tremendous passion and warmth among my colleagues. We think together, innovate together and grow together."

Enric Valls (Spain, GEC member)

"It was 20 years ago, I still remember the SICOP fair in Madrid. An artisan baker and his wife from a village near Valencia told me how grateful they were to Puratos. A decade before, Puratos had trained them in a course at the COP (IC) to enlarge their offer into patisserie. They increased their sales significantly and thanks to that they could pay their daughters' studies and provide a wealthier retirement for themselves. What a nice example of our mission. We can all be proud of what we have achieved as Puratos as our teams cross the globe, but we have to stay humble and try to do better, do more for our colleagues, our customers, our stakeholders, the consumers and for the planet. Let's make sure that the Magic continues!"



Bernard Poplimont (Philippines, General Manager)

"Working together with colleagues is what makes professional life easy and enjoyable. Puratos has always given me the opportunity to keep learning and developing, for both my benefit, our customers benefit and the company's benefit. Thank you for that!"

Azadeh Mohammadi (Belgium, R&D Manager)

"My passion is to unravel the science behind the food we eat, to develop innovative solutions for the food of modern society. Puratos has provided me the opportunity to drive this passion and to help shape the future food system."





Learning and development

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 2021

Global virtual and digital course completions

- 268 virtual and digital courses available
- 6.160 active learners
- 28.027 total learning hours.

Besides our global programs the local and regional teams offer a variety of complimentary learning and development opportunities based on their local needs.

Global compliance course completions

- Business Ethics & Code of Conduct:
 - » Part 1: 95% end year completion
 - » Part 2: 93% end year completion
 - » Part 3: 90% end year completion
 - » Part 4: Launched in December 2021, due 31 March 2022.
- Safety Basic Induction
 - » Operations: end year 64% completion
 - » Non-operations: end year 86% completion
- Cybersecurity:
 - » Cyber Security Awareness Essentials: end year 87% completion
 - » Refresh: Launched in October 2021, due 30 April 2022.

Our approach

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

The Puratos University offers top-quality content 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.

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

LEARNER COMMUNITY
+2500

30 E-SEMINARS



+100
INTERNAL TRAINERS

20 E-LEARNING
TRACKS

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”.

LEARNER COMMUNITY
U-TEAM

PARTNERSHIPS WITH
TOP
LEADERSHIP
TRAINERS AND COACHES



10 LEADERSHIP
PROGRAMMES/YEAR

DIGITAL
LEARNING
ON FOUNDATIONAL
LEADERSHIP SKILLS

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

Our 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 2021 we strengthened the Guild program through a mix of webinars, local hands-on practice and online feedback and coaching.

In Operations the Eagle program is continuing to focus on building strong teams with strong leaders. The program has been expanding globally since 2017 and is a key pillar in our focus on developing employees and boosting the productivity in operations, an approach aligned with operational excellence standards and the Puratos needs. All of this with the common goal to deliver quality to our customers.

In the 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. Since 2020, the Sales Academy has been successfully launched in 21 countries.





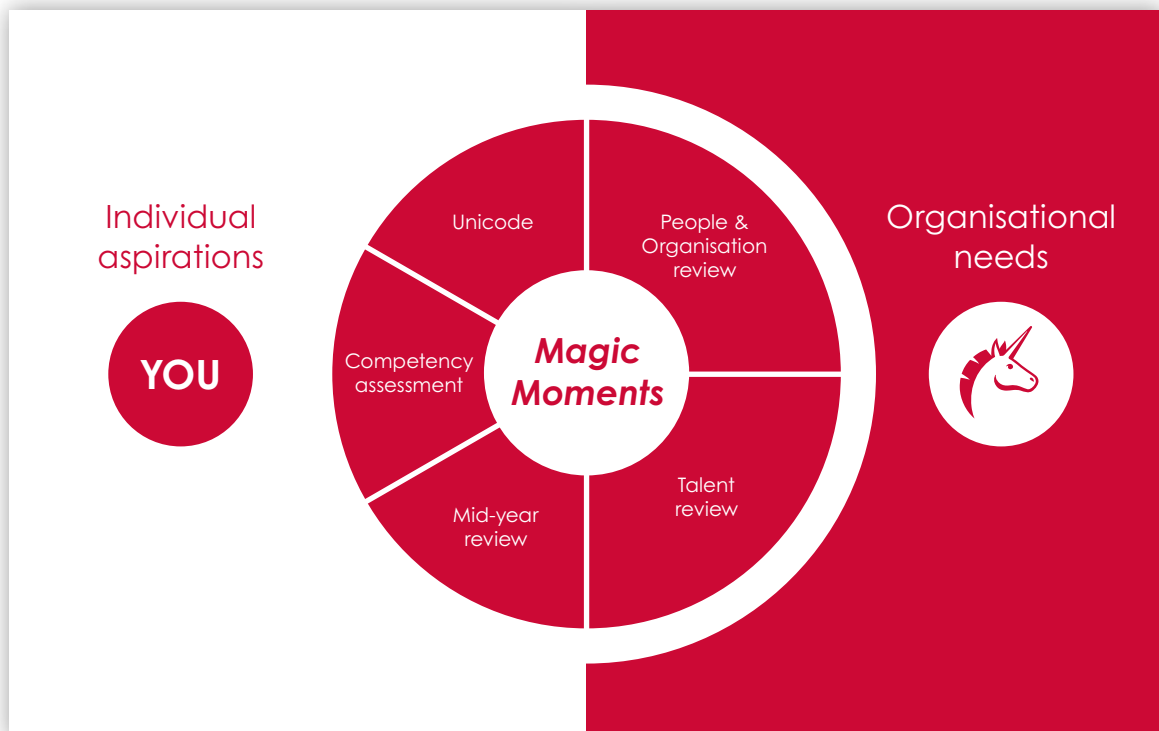
Career development

Material topic > Employee learning and 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 2021

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



Unicode

UniCoDe (Unicorn Competency Development) is the globally 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.

Competency Assessment

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

Mid-Year Review

The Mid-Year Review is the moment for 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.

Talent Reviews

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

Continuous Feedback

Dialogue and continuous feedback are key elements 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.

Safety and Health

Material topic > Employee health, safety and well-being

At Puratos, we believe that Health, Safety, Security and Wellbeing are no-compromise items, in which we define the commitment, participation and accountability used to create a culture of caring in a safe work environment. Specific focus areas and our performance both in 2021 highlight and show where we are currently in our journey towards Zero incident culture.

Commitment

In recognition of the right to a safe and healthy working environment, Puratos is committed to maintaining the physical, psychological, and social well-being, of our employees, stakeholders, and global communities through appropriate risk management strategies. To advance our Health and Safety program, we are committed to:

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



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

Participation

Individual ownership of the Health and Safety Program is required through participation of all parties in our Culture of Caring. To that end, we expect our leaders, directors, managers, supervisors, employees and subcontractors to:

- Commit to the well-being of themselves and of all other stakeholders both on and off the job.
- Demonstrate this commitment through compliance with applicable rules and properly identifying, managing and eliminating hazards and reducing risk in the workplace.
- Engage in planning and training to enable competency and the proper and appropriately maintained equipment, materials, and personal protective equipment required to work safely and respond as necessary to emergencies.
- Take action to stop work if the work cannot be executed safely or if conditions or behaviors on the work activity are unsafe or unhealthy.
- Immediately report Health and Safety incidents, near-misses, unsafe conditions, and at-risk behaviors; participate in investigations and review findings with appropriate stakeholders to enable implementation of corrective and preventative actions.

Accountability

We expect continuous improvement in our journey toward a "zero" incident culture, where everyone participates and is committed to Health and Safety excellence. To that end our leaders, managers, supervisors, employees, and subcontractors will be held accountable to their commitment and participation through:

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

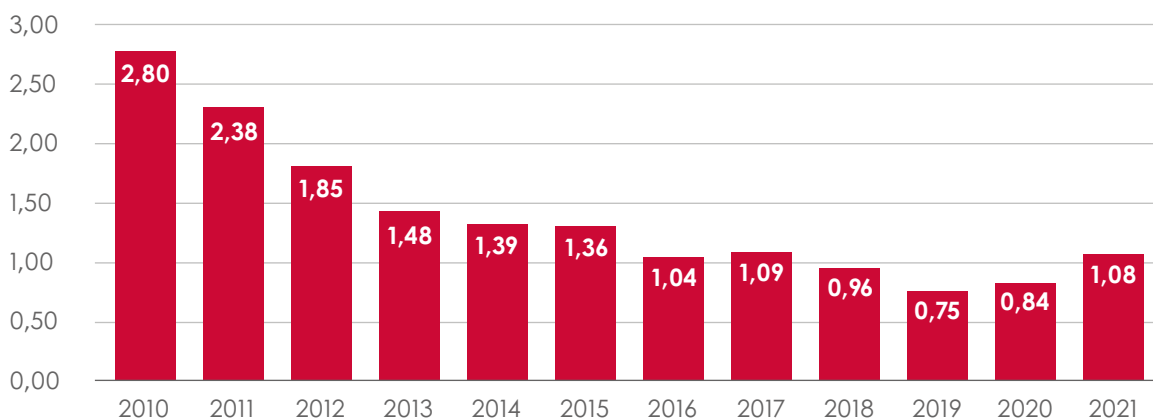
During 2021, five areas were highlighted:

1. The pandemic Covid-19 response in which Puratos prioritize the health of all our employees with clear actions to prevent Covid-19 contaminations in our facilities and in private life of our employees
2. Monitoring and updating benefit for employees and their families to improve retention and to create a positive working environment.
3. Foreseeing health insurance for all employees and their families to help them cope with their medical expenses.
4. Communicating and underlining the importance of health and safety to its employees, visitors, contractors and the public.
5. Further strengthen interaction, networking and communication between the Health & Safety community of Puratos.

Our KPI performance 2021 on Safety

In 2021 we had an LTIR = 1,08 compared to 0,84 in 2020. 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.

TOTAL OF ACCIDENTS WITH ABSENTEEISM X 200000/WORKED HOURS



The LTIR of 1,08 is an increase of 29% compared to 2020 and an increase of 44% compared with 2019. This increase is not in line with our zero incident culture and is different with the 10 years before 2020. This level of LTIR brings us back to the incident level from 2016.

Please note that the way of reporting has changed since 2021, i.e. including the new branches of affiliates that were not included in the reporting of 2020.

Puratos will look closely how to counter the upwards trend that is seen and take appropriate actions to guarantee the Health, Safety, Security and Wellbeing of our employees and stakeholders.

Employee well-being

Material topic > Employee health, safety and 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.
- Puratos recognizes the importance of family and supports its employees in creating a healthy work-life balance.



Diversity

Material topic > employee diversity, inclusion and equal opportunities

Experience the magic of being yourself. We at Puratos cultivate an inclusive global workplace, that fully embraces diversity and equal opportunities for all. We strive to reflect the richness of our customers, communities and society, accelerating our ability to innovate and deliver on our commitments.



Our people are always **at the heart** of everything we do.

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).

06



Communities





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.

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 engagement and development

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.

Key performance indicators 2021

- 33 students graduated in Brazil, 24 in South-Africa and 32 in India.

Our approach

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 6 Bakery Schools in India, Brazil and Mexico, South Africa, Romania and the Philippines. 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 engagement and development

Our long-term objectives

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

Key performance indicators 2021

- We collected a total bonus of €1.025.845 M for our Cacao-Trace farmers (+137% compared to 2020).

Our approach

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 engagement and development

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.





Mission to Mars

MISSION TO MARS & SPACEBAKERY PROJECT

Material topic > Products and ingredients resilience

Material topic > Healthy, natural and nutritious products

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°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.





07

Good Governance



Puratos' Governance Structure

GRI 102-18

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 "Buysse Code" published in 2005 and updated in 2009, with recommendations for unlisted companies. The "Buysse 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.

The Commitment to You and to Future Generations steering committee was created in 2020 and is composed of our sustainability experts in the Group. Each one of the members is implicated in the realisation of our different commitments. The steering committee reports to the CSR committee which was established in 2021 and is composed by different members of the 3rd generation of shareholders, members of the board of directors, the Group Sustainability Director as well as an external partner that advises and challenges us on our sustainability approach.

Environment champions have been appointed on the 20 main sites in order to plan, coordinate and implement the necessary improvement actions. This community was created in the 12 countries, representing 80% of our CO₂ 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 Mr. Eddy Van Belle. They make decisions on important business matters and supervise the execution of duties by directors and executive officers. On December 31st, 2021, the Board of Directors was composed of:

- | | |
|---|-------------------------|
| 1 M. Eddy Van Belle, President | 9 M. Benoit Gailly |
| 2 M. Dominique de Ville, Vice-president | 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 | |



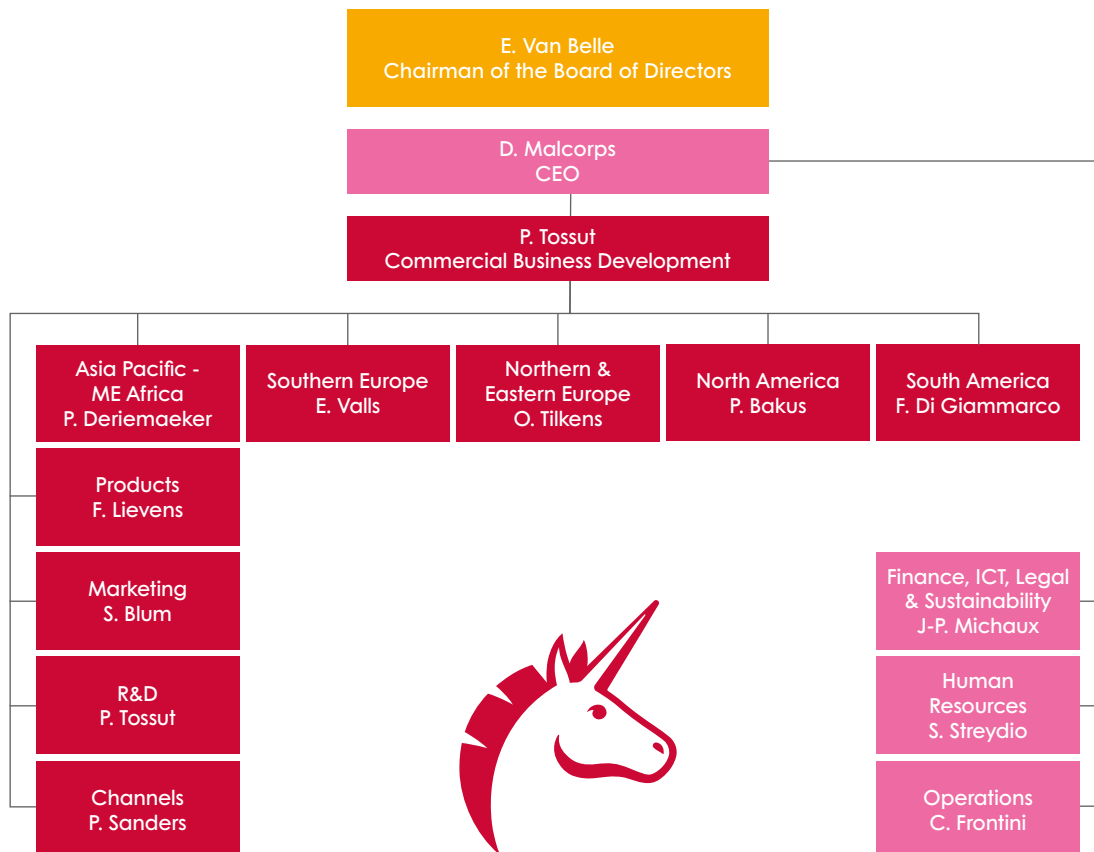
Of these 15 directors, 13 are not part of the Group's operational management and 7 are independent of the majority shareholders.



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.



Corporate Governance Policy

Material topic > Responsible and ethical business conduct

GRI 102-12

GRI 102-17

GRI-205

GRI 102-16

GRI 102-41

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

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. Mandatory training on ethical behaviour and cyber security is organized for all employees on a regular basis in order to support 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.whistleblownetwork.net/WebPages/Public/FrontPages/Default.aspx>
5. Via e-mail: codeofconduct@puratos.com

Data protection

The Puratos Group highly values the relationship with its customers, distributors, employees, job applicants, suppliers, visitors, and other stakeholders. The group aims at providing an adequate level of personal data protection to enhance its business relationships, trustworthiness, and its reputation.

With more data come more opportunities but also more challenges. Connectivity, digitalization, and the ability to process large amounts of data will become increasingly important. The availability of data doesn't only create new business opportunities; it also leads to an obligation to take special precautions when collecting and processing data.

Data is a sensitive commodity and therefore worthy of the protection offered by a strict regulatory framework. Data responsibility involves more than just data protection. Puratos therefore opts for a holistic approach to ensure that it meets its corporate digital responsibility obligations. Along with compliance with relevant laws and regulations, this also involves cultural and organizational aspects. Various measures need to be taken in order to achieve these objectives. Such measures involve everything from employee training to the introduction of a new management approach and the extensive provision of information to our customers.

Anchoring data protection in our organization

A Data Protection Team was created which includes members from ICT and Legal. The team developed a Data Protection Policy, and they strive to implement and maintain compliance with national and international data protection rules on a continuous basis.

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

The members of the Data Protection Team receive appropriate resources, training and guarantees of independence to ensure that the Data Protection Team is able to manage its tasks effectively. The contact details of the Data Protection Team are: dataprivacy@puratos.com; and Data Protection Team, Puratos NV, Industrialaan 25, 1702 Groot-Bijgaarden.

The executive bodies of the Puratos entities and the department managers are accountable for the processing activities in their area of responsibility. They commit to effectively implement the appropriate technical and organizational measures to ensure compliance with the applicable laws and with this policy. They must closely co-operate with the Data Protection Team in order to achieve an adequate level of protection and to handle effectively the requests of supervisory authorities and data subjects. They manage that the Data Protection Team is duly informed in case of data protection incident and in case of new or extended processing activities, especially when they involve special categories of personal data or are likely to pose special risks to the rights and freedoms of individuals. Breach of data protection rules may be criminally prosecuted in various jurisdictions and may result in damages claims. Breaches for which individual employees are responsible may lead to sanctions under employment law.



Data Protection Policy

Our policy applies to the processing of personal data by the entities of the Puratos group. We consider personal data any information relating to an identified or identifiable living natural person, such as biographical information (names, dates of birth, ...), workplace data (addresses, position, phone numbers and email addresses, ...), an online identifier (IP address), and so on.

The policy comprises generally accepted data protection principles without replacing the existing local laws. It supplements the different national data protection laws that apply to the operations of the Puratos group. Each Puratos entity commits to fully comply with the applicable national data protection laws and with this policy. If there is a reason to believe that compliance with legal obligations would contradict obligations under this policy, the Puratos entity concerned shall inform the Data Protection Team to find a practical solution that meets the aim of our policy. The policy does not apply to the data of legal entities, such as companies or other organisations with a legal personality. The policy does not apply to anonymous data, such as statistical data. However, the mere absence of a name does not imply that the data is anonymous, it should be impossible to trace the data directly or indirectly to an individual person. The most recent version of this policy is externally available on the Puratos corporate website and internally on a dedicated section of the Puratos intranet.

Comprehensive data protection training

Puratos entities and their employees must take sufficient technical and organisational measures to protect personal data from accidental or unauthorised destruction, accidental loss, unauthorised modification, or access. These measures must be adequate considering the state of the art, the cost, and the nature of the data, and must be evaluated and tested at regular intervals. Security and confidentiality require measures to enhance awareness of data protection issues in the organization such a, for example, training of all functions confronted with personal data and allocation of responsibilities. Techniques such as data minimisation, storage limitation, pseudonymisation, encryption, confidentiality, integrity, and logging must be taking into consideration when dealing with data processing operations.

Training on cyber security awareness and data protection was made mandatory for all employees worldwide. These trainings are available in different languages in SuccessFactors and can be reviewed when necessary.

Data protection incidents

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



08

Appendix



About this report

GRI 102-45

GRI 102-50

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GRI 102-56

The purpose of this 2021 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 2021 has been prepared in accordance with the GRI Standards: the Core option.

This CSR report presents results of financial operations in the year 2021 under audit from Deloitte, whose auditors' report is included in the 2021 annual report. As for our non-financial performance (environmental, nutritional, occupational health, and safety aspects) this has also been audited by Deloitte and 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 2021 fiscal year, comprising 12 months, starting January 2021 till December 2021.

This report focuses on the 17 material topics that were identified during the 2021 materiality assessment and that most influence the decision-making of our stakeholders.

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

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

Materiality assessment

GRI 102-43

GRI 102-46

In 2021 we performed an update of our 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.

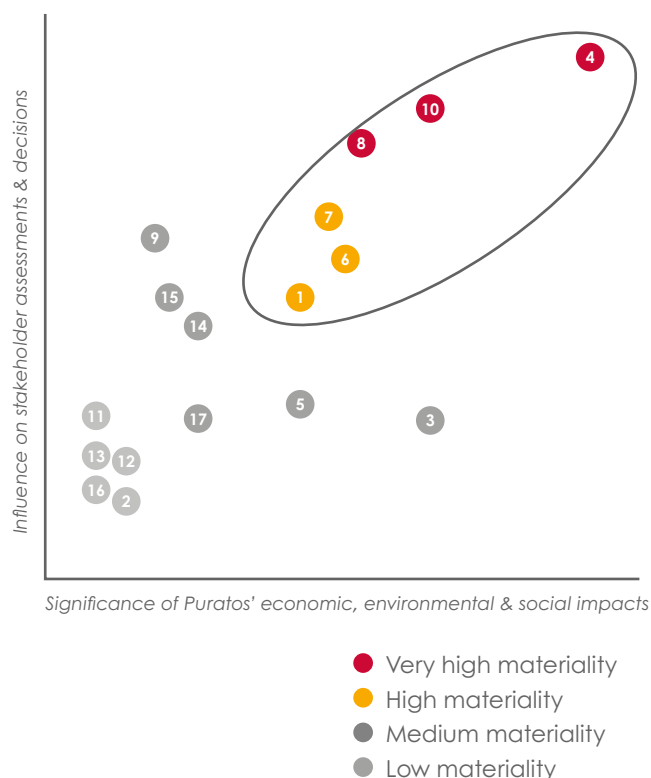
The material issues for Puratos were selected in a process that consisted of several steps. In the first step a list of non-financial issues, relevant to our company and our stakeholder groups, was generated, by studying and analysing the wider context of Puratos' operations. This way, 17 topics were 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:

- The materiality assessment resulted in a prioritisation of 17 relevant topics, based on stakeholder and management consultations (survey and interviews). The respondents represented the different 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.

MATERIALITY MATRIX PURATOS (EQUAL WEIGHT BY STAKEHOLDER GROUP)

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



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

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

We concluded that, except from sustainable and circular packaging, which is quite new compared to our previous materiality assessment, all other very high and high material topics are already extensively covered in our current strategy. Regarding the topic 'sustainable and circular packaging', we have already been taking steps over the past months and will continue do so as to make this topic more prominent in our strategy and operations.



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

GRI 102-47

GRI 103-1

HIGH MATERIAL TOPICS

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

- Health & Well-Being
- Responsible Sourcing
- Environment
- Heritage
- People
- Communities

OTHER MATERIAL TOPICS

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

- Health & Well-Being
- Responsible Sourcing
- Environment
- Heritage
- People
- Communities



Stakeholder engagement

GRI 102-40

GRI 102-43

GRI 102-42

GRI 102-44

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
Communities	Social and environmental responsibilities;	Climate change and environmental protection;
	Partnership in community development	Support local communities
Consumers	Eco-labelling;	Innovation and product responsibility (quality, food safety);
	Affordable price;	
	Food safety;	
	Product quality (health and nutrition);	Responsible sourcing;
	Social and environmental responsibilities	Climate change and environmental protection
Customers	Product quality;	Innovation and product responsibility (quality, food safety);
	Food safety;	
	Service quality;	Increased communication on sustainability;
	Affordable price;	
	Social and environmental responsibilities;	Responsible Climate change and environmental protection;
	Eco-labelling	Responsible sourcing
Employees	Fair compensation and benefits;	Human rights and fair labour practices;
	Fair labour practices;	Human capital development;
	Safety and wellbeing;	
	Career development and opportunity;	Management program;
	Career security;	
	Work-life balance	Engagement survey
Government	Legal compliance;	Transparency and governance (anti-corruption, data disclosure, tax policy and reporting)
	Participation in government programs	

Our stakeholders	Issues	Puratos' responses
Investors & shareholders	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
NGOs	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)
Suppliers	Responsible sourcing; Animal welfare; Human rights	Ethical supplier code of conduct



Environmental Data Summary

Energy

GRI 302 ENERGY					
GRI	Indicator in MWh	Year 2016	Year 2020	Year 2021	Explanation
GRI 102: General Disclosure					
Fuel	Natural gas	212.513 MWh	242.806 MWh	293.836 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	10.868 MWh	9.685 MWh	3.077 MWh	LPG is used in 10 countries to generate steam (2 of them stopped using LPG during the year, 1 switched to Natural Gas and the other one stopped using LPG thanks to heat pump system).
	Gas and diesel oil	20.848 MWh	22.576 MWh	22.596 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.
	Residual Fuel Oil	3.584 MWh	4.192 MWh	4.547 MWh	Residual fuel oil is only used in Morocco to generate steam.
	a. Total Non-renewable fuel consumed	247.812 MWh	279.259 MWh	324.057 MWh	
Electricity	b. Total Renewable fuel consumed	0 MWh	0 MWh	0 MWh	
	Non-renewable electricity	147.319 MWh	51.214 MWh	33.944 MWh	
	Renewable electricity on-site	0 MWh	1.278 MWh	3.044 MWh	Production of renewable electricity on site since 2021 in South Africa, Vietnam, Thailand, Turkey, Greece and Belcolade.
	Renewable electricity imported*	0 MWh	103.370 MWh	127.392 MWh	*2021 Renewable electricity was purchased through green certificates in Belgium, Spain, France, Portugal, Latvia, Romania and Italy (GO = 81541 MWh), UK (REGO = 1682 MWh), USA (REC Green-e certified = 18390 MWh), China, Brazil, Russia, Mexico, Vietnam and Thailand (I-REC = 26946 MWh) equaling to 100% of the electricity used by our facilities in these countries. On the Group level, this equals to 79% of the total electricity use.
	c. Total electricity consumed	147.319 MWh	155.863 MWh	164.379 MWh	
District Heating	Non-renewable district heating	0 MWh	832 MWh	847 MWh	Austria district heating for building heating
	d. Total District Heating consumed	0 MWh	832 MWh	847 MWh	Austria district heating for building heating
Energy	Total Non-renewable energy consumed	395.123 MWh	331.305 MWh	358.847 MWh	
	Total Renewable energy consumed	0 MWh	104.649 MWh	130.436 MWh	
302-1	Total Energy consumed	395.123 MWh	435.953 MWh	489.283 MWh	"Increase total consumption is due to business growth. *2021 Production volumes increased by 5.7% compare to 2019 and 23.7% compare to 2016 our reference year. *2021 Sales increased by 9% compare to 2019 and 32% compare to 2016 our reference year."

Environmental Data Summary - continued

GRI 302 ENERGY					
GRI	Indicator in MWh	Year 2016	Year 2020	Year 2021	Explanation
Energy intensity (302-3)					
Energy intensity	Fuel intensity from Stationary combustion	100	101,71	97,55	Energy intensity target and progress made as MWh 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. 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. 2021: Index is 89.70. When comparing 2016 and 2021, we observed a decrease of 10.3% of our energy intensity.
	Electricity intensity	100	99,49	86,19	
302-3	Total Energy Intensity Primary	100	100,87	89,70	
Reduction of energy consumption (302-4)					
Energy reduction	Reduction of fuel consumption from Stationary combustion	0 MWh	17.602 MWh	-11.594 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	68 MWh	-21.149 MWh	
302-4	Total Energy Reduction Primary	0 MWh	18.463 MWh	-54.694 MWh	



GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO ₂ equivalent	Year 2016	Year 2020	Year 2021	Explanation
Scope 2 Energy Indirect GHG emissions (305-2)					
305-2-a	Scope 2 Location-based Gross Electricity	(40.751 tCO ₂ e)	(40.911 tCO ₂ e)	(43.007 tCO ₂ e)	We use WRI methodology from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). 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. *2021 Renewable electricity was purchased through green certificates in Belgium, Spain, France, Portugal, Latvia, Romania and Italy (GO = 81541 MWh), UK (REGO = 1682 MWh), USA (REC Green-e certified = 18390 MWh), China, Brazil, Russia, Mexico, Vietnam and Thailand (I-REC = 26946 MWh) equaling to 100% of the electricity used by our facilities in these countries. On the Group level, this equals to 79% of the total electricity use.
	Purchased Renewable Electricity Certificates	0 tCO ₂ e	-24.701 tCO ₂ e	-28.418 tCO ₂ e	
305-2-b	Scope 2 Market-based Net Electricity	40.751 tCO ₂ e	16.210 tCO ₂ e	14.589 tCO ₂ e	
Total Emissions Scope 1 & 2	Gross Operations	(106.989 tCO ₂ e)	(113.759 tCO ₂ e)	(122.726 tCO ₂ e)	Increase total emissions is due to business growth. *2021 Production volumes increased by 5.7% compare to 2019 and 23.7% compare to 2016 our reference year. *2021 Sales increased by 9% compare to 2019 and 32% compare to 2016 our reference year. Historical values update due to addition of truck diesel info for Morocco (since 2016) and South Africa (since 2018) + change in car diesel emission factor and IEA electricity emission factors.
	Net Operations	106.989 tCO ₂ e	89.057 tCO ₂ e	94.308 tCO ₂ e	
Scope 3 Other Operations Indirect GHG emissions (305-3)					
305-3-1a	Optional: Water supplied	660 tCO ₂ e	824 tCO ₂ e	373 tCO ₂ e	Calculated third-party emissions from water supply and water treatment for water disposed of via the drains. Source: UK Government Conversion Factors 2021 for greenhouse gas (GHG). Historical values update due to change in water third-party withdrawal value (Saint-Vith (since 2016), South African branches (since 2018), Kenosha and Philadelphia (since 2020)) using city water, and change in water discharge value (Fruitapeel and South Africa branches (since 2018), Kenosha and Philadelphia (since 2020)discharging to sewer)).
305-3-3b	Transmission and distribution losses	14.458 tCO ₂ e	15.474 tCO ₂ e	18.828 tCO ₂ e	Calculated upstream emissions of purchased electricity from location based using national correction factor for transmission and distribution losses induced emissions. Source: IEA - CO ₂ emissions from fuel combustion 2020 Edition. Calculated upstream emissions of district heating from location based using national correction factor for transmission and distribution losses induced emissions. Source: IEA - CO ₂ emissions from fuel combustion 2020 Edition. Calculated well-to-tank fuels to account for the upstream Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to an organisation's site (or asset) prior to their combustion. Source: UK Government Conversion Factors 2021 for greenhouse gas (GHG). Historical values update due to change in IEA emission factors (annual update).

Environmental Data Summary - continued

GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO ₂ equivalent	Year 2016	Year 2020	Year 2021	Explanation
305-3-4	Upstream transportation distribution ⁽¹⁾	not available	67.159 tCO ₂ e	98.579 tCO ₂ e	<p>We use WRI methodology from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). It was not possible to use the fuel-based method because we have no information on quantity and fuel cost consumed during transportation.</p> <p>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 (https://quantis-suite.com/Scope-3-Evaluator/).</p> <p>Raw data was available on the weight, country level, cost of goods, cost of transportation and mode of transportation. Data from transportation was estimated based on reliable cost reporting in 18 countries that represent 79% of our total estimated cost for transportation. The remaining part (21%) was extrapolated.</p> <p>Historical values update due to change in extrapolation methodology (the same shipment type repartition obtained from shipment costs data on SAP was used to estimate the emissions for the part of our total transportation costs data not encoded under shipment costs).</p>
305-3-5	Waste generated in operations	not available	3.648 tCO ₂ e	4.159 tCO ₂ e	<p>*In 2019, the different sites were asked to report their waste streams (quantity) into 4 categories : disposal/residual waste, feed, recyclable waste, sludges. To convert this data in CO₂ emissions the UK Government Conversion Factors 2019 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 CO₂ emissions due to our waste production represented 2.3% of our total CO₂ emissions.</p> <p>*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 CO₂e emissions related to waste at 3,648 tCO₂e.</p> <p>*In 2021, we asked the sites to fill a Forms in which they needed to provide us the quantities and the destination of the wastes produced. To convert this data in CO₂ emissions the UK Government Conversion Factors 2021 for greenhouse gas (GHG) were used. Subtotal 1 = 3,474 tCO₂e.</p> <p>First estimate : For the production sites for which we had no answer representing 16% of the 2021 Group production volumes total, we considered their emissions related to wastes represent 16% of Subtotal 1. Subtotal 2 = 571 tCO₂e.</p> <p>Second estimate : For the non-productions for which we had no answer, wastes volumes were estimated using an average of the data we had received for non-production sites. All the wastes were considered as residual wastes going to landfill. Subtotal 3 = 114 tCO₂e.</p> <p>Total 2021 = 3,474 + 571 + 114 = 4,159 tCO₂e.</p> <p>Historical values update due to change in extrapolation methodology (missing data from production sites estimated based on their production volumes and from non-production sites using reported non production sites waste volume average).</p>
305-3-6	Business travel (flights)	not available	135 tCO ₂ e	60 tCO ₂ e	<p>Data is coming from FCM Travel Solutions who, as a travel agency, arranges 98% all the business trips that include flights in the trip. Business travel only by other means than airplanes are minimal and are not considered to be relevant. CO₂ emissions are calculated using the ICAO methodology. 2% of the travels are estimated as they are not bought through FCM Travel Solutions.</p>
305-3-7	Optional: Employee commuting	not available	not available	not available	<p>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.</p>
305-3	Total Scope 3 Indirect operations	not available	87.241 tCO₂e	121.999 tCO₂e	



GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO ₂ equivalent	Year 2016	Year 2020	Year 2021	Explanation
Scope 3 Agricultural Commodities (AC)					
	RSPO certified	not available	80.503 tCO ₂ e	108.266 tCO ₂ e	<p>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.</p> <p>*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".</p> <p>*In 2020, Puratos purchased 93,401 tons of refined palm oil (RBD) of which 25% was RSPO-certified.</p> <p>*In 2021, Puratos purchased 103,972 tons of refined palm oil (RBD) of which 30% was RSPO-certified.</p> <p>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 CO₂e/kg RBD oil for RSPO-certified and non-certified production respectively (Schmidt J, De Rosa M. Comparative Life Cycle Assessment of RSPO-certified and Non-certified Palm Oil. 2.-0 LCA consultants (2019), https://lca-net.com/publications/show/comparative-life-cycle-assessment-of-rspo-certified-and-non-certified-palm-oil/).</p> <p>*In 2021 :</p> <p>RSPO-certified 31,750 tons x 3.41 kg CO₂e/kg RBD oil = 108,266 tons CO₂e</p> <p>None-certified 72,223 tons x 5.34 kg CO₂e/kg RBD oil = 385,670 tons CO₂e</p> <p>Total 2021 indirect GHG from palm oil purchasing 108,266 + 385,670 = 493,936 tons CO₂e.</p>
	None-certified	not available	372.695 tCO ₂ e	385.670 tCO ₂ e	
	Palm ⁽²⁾	not available	453.198 tCO ₂ e	493.936 tCO ₂ e	
	*For non-SAP countries, an estimation is made.				
	Sugar beet	not available	112.637 tCO ₂ e	126.887 tCO ₂ e	<p>At this stage Puratos provide here an estimate of GHG from sugar purchasing using secondary data and purchased volume of sugar beet, sugar cane and sugar corn/maize.</p> <p>0.771 kgCO₂e/kg beet sugar and 0.76 kgCO₂e/kg cane sugar were the two conversion factors used to calculate the beet and cane sugar carbon footprint. These factors take into account the mineral soil and the transportation overseas towards Europe what is relevant because 58% of Puratos' sugar-based products are sold in wider Europe including Russia, Turkey and Morocco (Klenk, Ingo & Landquist, Birgit & Imana, Oscar. (2012). The Product Carbon Footprint of EU beet sugar (Part I). Zuckerindustrie. 137. 169-177. 10.36961/si12784., https://www.researchgate.net/publication/280015218_The_Product_Carbon_Footprint_of_EU_beet_sugar_Part_I).</p> <p>1.100 kgCO₂e/kg corn sugar was the conversion factors used to calculate corn sugar carbon footprint (Tsiropoulos 2013, Journal of Cleaner Production, Volume 43, March 2013, Pages 182-190, Energy and greenhouse gas assessment of European glucose production from corn – a multiple allocation approach for a key ingredient of the bio-based economy. https://doi.org/10.1016/j.jclepro.2012.12.035)</p> <p>*In 2021:</p> <p>Beet sugar 164,575 tons x 0.771 kgCO₂e/kg beet sugar = 126,887 tons CO₂e</p> <p>Cane sugar 28,506 tons x 0.760 kgCO₂e/kg cane sugar = 21,664 tons CO₂e</p> <p>Corn/Maize sugar 7,148 tons x 1.100 kgCO₂e/kg corn sugar = 7,863 tons CO₂e</p> <p>Total 2021 indirect GHG from sugar purchasing 126,887 + 21,664 + 7,863 = 156,415 tCO₂e.</p>
	Sugar cane	not available	20.099 tCO ₂ e	21.664 tCO ₂ e	
	Sugar Maize/Corn ⁽³⁾	not available	not available	7.863 tCO ₂ e	
	Sugar	not available	132.735 tCO ₂ e	156.415 tCO ₂ e	

(1) Concerns outbound transportation, not inbound transportation.

(2) For non-SAP countries, an estimation is made.

(3) Was not included in the report of 2020.

Environmental Data Summary - continued

GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO ₂ equivalent	Year 2016	Year 2020	Year 2021	Explanation
	Wheat	not available	97.369 tCO ₂ e	107.699 tCO ₂ e	<p>At this stage Puratos provide here an estimate of GHG from purchased volume of wheat of which 92% is wheat flour, 5% is cereal proteins and 3% is starch.</p> <p>Puratos has a partnership with Brunel University and used their 2017 Life Cycle Analysis from cradle to gate to estimate emissions from wheat-to-bread supply chain (Goucher 2017, Nature plants, Volume 3, article number 17012, The environmental impact of fertilizer embodied in a wheat-to-bread supply chain). This is a peer-reviewed data.</p> <p>From the whole supply (736 gCO₂e/kg of bread), it is clear immediately that wheat cultivation is the major source of GHG emissions (485 gCO₂e/kg of bread) with the growth and protection process stages (mostly fertilizer) alone accounting for the main parts (351 gCO₂e/kg of bread). Milling added a further 3.5 gCO₂e/kg of bread and the bakery stage 216 kg CO₂e/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 $485/1000/(686/800) = 0.5656 \text{ kgCO}_2\text{e/kg wheat flour}$.</p> <p>We also found other emission factors in the literature for wheat flour (0.492 kgCO₂e/kg in the US (USDA APHIS, 2020 https://fieldtomarket.org/national-indicators-report/wheat/), 0.507 kgCO₂e/kg from France (AGRIBALYSE 2021) but we still prefer to use the factor we used in the past which is more conservative.</p> <p>This factor was confirmed when we calculated the indirect emissions for Vietnam as part of its CO₂ Neutral certification together with SouthPole. Emission factor from Agrifootprint 2020 was used and it was equal to 0.53 kgCO₂e/kg which is close to the one we always used.</p> <p>Within the same project, we also identify emission factors for cereal/proteins (1.06 kgCO₂e/kg) and starch (0.98 kgCO₂e/kg) from the same source which will help us to refine our calculations for 2021.</p> <p>*In 2021: Wheat: 190,417 tons x 0.5656 kgCO₂e/kg wheat flour = 107,699 tons CO₂e Proteins: 10,462 tons x 1.06 kgCO₂e/kg proteins = 11,042 tons CO₂e Starch: 5,880 tons x 0.98 kgCO₂e/kg starch = 5,746 tons CO₂e Total wheat : 107,699 + 11,042 + 5,746 = 124,488 tons CO₂e.</p>
	Proteins	not available	not available	11.042 tCO ₂ e	
	Starch	not available	not available	5.746 tCO ₂ e	
	Wheat	not available	107.518 tCO ₂ e	97.369 tCO ₂ e	
	Scope 3 Agricultural Commodities (Palm, sugar, wheat)	not available	683.302,49 tCO ₂ e	774.839 tCO ₂ e	<p>Agricultural commodities on which Puratos as part of the Food & 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>
GHG emissions intensity (305-4)					
Emissions Intensity Index	CO ₂ Intensity Index from stationary combustion	100	101,37	97,13	<p>Emissions intensity target and progress made as Metric tons CO₂e per standard unit of production which is then normalized using 2016 base year emissions.</p> <p>Puratos aim to achieve 75 CO₂ 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 CO₂e 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.</p> <p>To calculate the normalized year emissions we took our internally standardized CO₂e 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.</p> <p>2016: reference year is Index 100. 2021: Index is 91.73.</p> <p>When comparing 2016 and 2021, we observed a decrease of 8.3% of our emissions intensity index.</p> <p>Historical values update due to scope 1&2 emissions variations.</p>
	CO ₂ Intensity Index from transport	100	110,71	99,64	
	CO ₂ Intensity Index from electricity (Location based)	100	96,87	82,96	
305-4	Total Emissions Intensity Index (based on scope 1 & scope 2 Location based)	100	99,62	91,73	



GRI 305 EMISSIONS					
GRI	Indicator in tonnes of CO ₂ equivalent	Year 2016	Year 2020	Year 2021	Explanation
Reduction of GHG emissions (305-5)					
Emissions Reduction	CO ₂ Reduction from stationay combustion	0 tCO ₂ e	3.334 tCO ₂ e	-2.242 tCO ₂ e	Puratos aims to emit less greenhouse gas emissions per tonne produced. The reduction of CO ₂ -equivalents we are reporting here is directly based on our improved CO ₂ efficiency, multiplied by our actual CO ₂ 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. Historical values update due to change in formula to measure efficiency (maximize positive effect) + scope 1&2 emissions variations.
	CO ₂ Reduction from Transport	0 tCO ₂ e	184 tCO ₂ e	-204 tCO ₂ e	
	CO ₂ Reduction from electricity as Location based	0 tCO ₂ e	-288 tCO ₂ e	-5.833 tCO ₂ e	
305-5	Total Gross Emissions Reduction (based on scope 1 and scope 2 Location based)	0 tCO₂e	3.229 tCO₂e	-8.280 tCO₂e	

Environmental Data Summary - continued

GRI 303 Water and Effluents									
GRI	Indicator in ML (Megaliters = 1 million liters)	Year 2016		Year 2020		Year 2021		Explanation	
		All areas	Water stress	All areas	Water stress	All areas	Water stress	All areas	Areas with water stress
Water withdrawal (303-3)									
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	717 ML	467 ML	722 ML	462 ML	Well water pumped in 17 sites.	7 production sites in water stress area.
	Fresh water	755 ML	642 ML	717 ML	467 ML	722 ML	462 ML		
	Other water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	v. Third-party water	932 ML	587 ML	1.117 ML	711 ML	1.260 ML	803 ML	Sum of all city water from 54 production sites & 14 admin buildings/warehouses, industrial water in Charmes and, Truck water in Bulgaria, Iran, Mexico and Kenya.This is excluding rain water used from Erembodegem and Philippines (=3.146ML) and water reused (wastewater treated) in Andenne (=41.064ML).	22 production sites (and 2 offices) in water stress area.
	Fresh water	932 ML	587 ML	1.117 ML	711 ML	1.260 ML	803 ML		
	Other water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	Third-Party water withdrawal from Surface Water	6 ML		8 ML		10 ML		In Charmes France, industrial water supply is river water after filtration.	
	Third-Party water withdrawal from Groundwater	926 ML	587 ML	1.109 ML	711 ML	1.250 ML	803 ML		
303-3	Total Water Withdrawal	1.687 ML	1.229 ML	1.834 ML	1.178 ML	1.982 ML	1.264 ML	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). Historical values update due to one meter in Saint-Vith not taken into account (since 2016) + addition of Branches South Africa in the reporting (since 2018) + meter not working in Viadana (since 2019 -> point raised beginning 2021)) + US Kenosha & Philadelphia water values not encoded correctly (since 2020).	
Water discharge (303-4)									
Water discharge by destina- tion	i. Surface water	749 ML	721 ML	723 ML	697 ML	768 ML	740 ML	12 production sites discharge directly to surface water.	11 production sites. China, Malaysia and Peru sites are not in water stressed areas.
	ii. Groundwater	13 ML	13 ML	22 ML	22 ML	19 ML	19 ML	Both sites in Iran discharge directly to groundwater.	
	iii. Sea water	0 ML	0 ML	0 ML	0 ML	0 ML	0 ML		
	iv. Third-party water	479 ML	135 ML	622 ML	151 ML	683 ML	170 ML	50 production sites (+ 15 admin buildings and warehouses) discharge to city sewer.	
303-4	Total Water Discharge	1.241 ML	868 ML	1.367 ML	870 ML	1.470 ML	929 ML	62 production sites reporting or estimating discharge. Historical values update due to inclusion of Branches South Africa in the reporting (since 2018) + change in formula for UK Fruitapeel -> Group calculation not applicable for this site (since 2018) + wastewater meter not working in Viadana values now estimated using Group calculation (since 2019) + US Kenosha & Philadelphia & BFL wastewater values not encoded correctly (since 2020).	24 production sites in water stress area reporting or estimating discharge.



GRI 303 Water and Effluents								
GRI	Indicator in ML (Megaliters = 1 million liters)	Year 2016		Year 2020		Year 2021		Explanation
		All areas	Water stress	All areas	Water stress	All areas	Water stress	
Water discharge by freshwater and other water	Fresh water	762 ML	734 ML	745 ML	719 ML	787 ML	759 ML	14 production sites, sum discharge to surface water and groundwater
	Other water	479 ML	135 ML	622 ML	151 ML	683 ML	170 ML	Discharge to city sewer (third-party water).
Water discharge by level of treatment	No treatment	267 ML		382 ML		420 ML		Discharge to city sewer (third-party water).
	Primary physical-chemical treatment	66 ML		89 ML		124 ML		
	Biological process	908 ML		597 ML		578 ML		7 sites discharging to sewer (Thailand, Viadana, Quarenghi, 2 in Russia, Vietnam and Pennsauken), 11 discharging to surface water.
	Biological process and supporting fish life	0 ML		299 ML		348 ML		China (2018), Andenne (2019), Lummen (2021) discharging to surface water and Iran (2020) discharging to groundwater.
Water consumption (303-5)								
Water consumption	Total water consumption	447 ML	361 ML	467 ML	308 ML	512 ML	335 ML	Historical values update due to more water withdrawn in Saint-Vith (since 2016) and Viadana (since 2019) and less water discharged in Fruitapeel (since 2018).
	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		100,35		91,66		<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.</p> <p>2021: Index is 91.66.</p> <p>When comparing 2016 and 2021, we observed a decrease of 8.37% of our water withdrawals intensity. Historical values update due to water withdrawal variations.</p>
Reduction of water withdrawal								
	Water Withdrawal Reduction	0 ML		68 ML		-171 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. Historical values update due to change in formula to measure efficiency (maximize positive effect) + water withdrawal variations."</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 2020			Year 2021		
	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	209 ML	68 ML	20 ML	208 ML	46 ML	60 ML
BE Belcolade	22 ML	3 ML	16 ML	7 ML	12 ML	13 ML	1 ML	26 ML	18 ML
BE Groot-Bijgaarden	67 ML	89 ML	35 ML	59 ML	100 ML	42 ML	48 ML	118 ML	36 ML
BE Lummen		111 ML	39 ML		128 ML	38 ML		155 ML	44 ML
BE Saint-Vith		37 ML	14 ML		54 ML	19 ML		57 ML	16 ML
BGR Pernik		3 ML	1 ML		12 ML	4 ML		15 ML	4 ML
BRA Guarulhos	64 ML		29 ML	83 ML		36 ML	81 ML		20 ML
BRA Phoenix		4 ML	2 ML		5 ML	3 ML		2 ML	1 ML
CHL Santiago		15 ML	4 ML		16 ML	4 ML		15 ML	4 ML
GRC Inofita		4 ML	1 ML		4 ML	1 ML		4 ML	1 ML
IND Pune	0 ML	9 ML	2 ML		5 ML	1 ML		7 ML	2 ML
IRN Kordan	3 ML	15 ML	4 ML		12 ML	3 ML		16 ML	4 ML
IRN Faraz				17 ML		4 ML	10 ML		2 ML
IRN Teheran		1 ML	-		3 ML	-		3 ML	-
KOR Seoul		1 ML	-		0 ML	-		0 ML	-
MAR Settat		18 ML	4 ML		19 ML	5 ML		19 ML	5 ML
MEX Tizayuca		75 ML	19 ML		110 ML	28 ML		154 ML	38 ML
ROU Bucharest	18 ML		9 ML	17 ML	0 ML	9 ML	18 ML		9 ML
Russia Podolsk 1 & 2		86 ML	28 ML		106 ML	41 ML		109 ML	34 ML
ESP Sils	75 ML		19 ML	75 ML		19 ML	98 ML		24 ML
ESP Riudarenes		1 ML	-		1 ML	-		1 ML	-
THA Bangkok		11 ML	0 ML		5 ML	-		6 ML	-
TUR Istanbul		12 ML	3 ML		23 ML	18 ML		19 ML	10 ML
US Rancho Dominguez		7 ML	2 ML		7 ML	2 ML		9 ML	2 ML
ZAF Chipkins					15 ML	-		16 ML	-
ZAF Branches					5 ML	-		5 ML	-
UAE Dubai								1 ML	-
TOTAL	642 ML	587 ML	361 ML	467 ML	711 ML	308 ML	462 ML	803 ML	335 ML



GRI 306 Effluents and Waste					
GRI	Indicator in ML (Megaliters = 1 million liters)	Year 2016	Year 2020	Year 2021	Explanation
Water discharge by quality and destination (306-1)					
306-1-a-i-ii	i. Surface water	749 ML	723 ML	768 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 pond in Lummen has been put in place in 2021.</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. Since March 2021, we reuse the wastewater treated for low grade cleaning application and it allowed us to save approximately 16% of the site water withdrawn.</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	22 ML	19 ML	Both sites in Iran discharge directly to groundwater. Full wastewater treatment with primary and secondary treatment including aerobic and anaerobic reactor. The average discharge is less than 100 mg/l of COD.
306-1-a-i-iii	iii. Seawater	0 ML	0 ML	0 ML	
306-1-a-i-iv	iv. Produced water	0 ML	0 ML	0 ML	
306-1-a-i-iv	v. Third-party water	479 ML	622 ML	683 ML	<p>50 production sites (+ 15 admin buildings and warehouses) discharge to city sewer.</p> <p>In most case no wastewater treatment or only primary treatment.</p> <p>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	1.367 ML	1.470 ML	62 production sites reporting or estimating discharge. Historical values update due to inclusion of Branches South Africa in the reporting (since 2018) + change in formula for UK Fruitapeel -> Group calculation not applicable for this site (since 2018) + wastewater meter not working in Viadana values now estimated using Group calculation (since 2019) + US Kenosha & Philadelphia & BFL wastewater values not encoded correctly (since 2020).
306-1-a-i	Water discharge to Freshwater category	762 ML	745 ML	787 ML	14 production sites, sum discharge to surface water and groundwater
306-1-a-i	Water discharge to Other water categories	479 ML	622 ML	683 ML	Discharge to city sewer (third-party water).

Assurance statement

GRI 102-56

A third-party organisation, Deloitte, was engaged by Puratos to provide limited assurance for the 2021 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

Independent assurance report on selected environmental, social and governance performance indicators published in the annual report 2021 of Puratos Group NV for the year ended 31 December 2021



Independent assurance report on selected environmental, social and governance performance indicators published in the annual report 2021 of Puratos Group NV for the year ended 31 December 2021

To the board of directors

We have been engaged to conduct a limited assurance engagement on selected environmental, social and governance performance indicators ("the ESG KPI's") published in the annual report 2021 of Puratos Group NV ("Puratos") for the year ended 31 December 2021. The ESG KPI's have been defined following the Global Reporting Initiative (GRI) standards and the ones selected in scope of the assurance are mentioned below:

Health and Well-Being

- Tonnes of fruit
- Tonnes of cereals and grains
- Tonnes of fat
- Tonnes of salt
- Tonnes of sugar
- % of cage-free eggs sourced

Food Safety and Quality

- GFSI acknowledged certification standards
- Golden Unicorn standard

Responsible Sourcing

- Cocoa sourced in sustainable way
- Cocoa-Trace programme

People

- Training days
- Accidents
- HR Bilan

Communities

- Student employment
- Cacao Trace farmer

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
- District heating
- Scope 3
- Waste generated in operations
- Business travel
- Water supplied
- Transmission & distribution losses
- Upstream transportation distribution
- Tonnes of Palm oil
- Tonnes of Wheat
- Tonnes of Sugar

Leader in Innovation

- Health & Well-being products sold

Based on our work done as described in this report, nothing has come to our attention that causes us to believe that the abovementioned selected ESG KPI's as published in the annual report 2021 of Puratos, have not been prepared, in all material respects, in accordance with the applied criteria.

Puratos Group NV | Independent assurance report on selected environmental, social and governance performance indicators published in the document annual report 2021 of Puratos Group NV for the year ended 31 December 2021

Responsibility of the board of directors

The board of directors of Puratos is responsible for the preparation of the ESG KPI's and the references made to it presented in the annual report 2021 as well as for the declaration that its reporting meets the requirements of the Global Reporting Initiative (GRI).

This responsibility includes the selection and application of appropriate methods for the preparation of the ESG KPI's, 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 ESG KPI's that is free from material misstatement, whether due to fraud or error.

Nature and scope of our engagement

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

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

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

Our work was performed on the data gathered and retained in the reporting scope by Puratos Group NV as mentioned above. Our conclusion covers therefore only these ESG KPI's and not all information included in the annual report 2021.

The scope of our work included, amongst others the following procedures:

- obtaining an understanding of the company's business, including internal controls relevant to collection of the information used to prepare the ESG KPI's. This included discussions with the Company's management responsible for operational performance in the areas responsible for the data underlying the ESG KPI's;
- considering the risk of material misstatement of the ESG KPI's;
- performing analytical procedures; and
- examining, on a sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these ESG KPI's.

Our report is made solely to the Company's directors, as a body, in accordance with ISAE 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body for our work, this report, or for the conclusions we have formed.



Puratos Group NV | Independent assurance report on selected environmental, social and governance performance indicators published in the document annual report 2021 of Puratos Group NV for the year ended 31 December 2021

Independence

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and with the Belgian legal and regulatory framework.

Signed at Zaventem.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Joël Brehmen

Deloitte.

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SDG Index

End Poverty



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.



End Hunger



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.



Good health & well-being






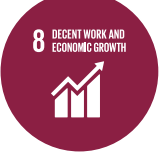
3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.



3.9. By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.









Quality Education 	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.	● ● ●
Clean Water and Sanitation 	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.	● ●
Affordable and Clean energy 	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.	● ●
Decent Work and Economic Growth 	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.	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.	●

- Health & Well-Being
- Responsible Sourcing
- Environment
- Heritage
- People
- Communities

SDG Index - continued

Industry, Innovation, and Infrastructure 	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, with all countries taking action in accordance with their respective capabilities.	●
Responsible Production and Consumption 	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 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.	● ●
Climate action 	13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	●
Partnerships for the goals 	17.2 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies and partnerships.	● ●

- Health & Well-Being
- Responsible Sourcing
- Environment
- Heritage
- People
- Communities



GRI Content Index

		Location	Page
GRI 102: General Disclosure			
Organizational profile			
102-1	Name of the organization	Back cover	Page 105
102-2	Activities, brands, products and services	Website	https://www.puratos.com/products https://www.puratos.com/services
102-3	Location of headquarters	Introduction, back cover	Page 105
102-4	Location of operations	Puratos in a nutshell Website	Page 6 https://www.puratos.com/about-puratos/close-to-you
102-5	Ownership and legal form	Back cover	Page 105
102-6	Markets served	Puratos in a nutshell Website	Page 6 https://www.puratos.com/about-puratos/close-to-you https://www.puratos.com/about-puratos/our-customers
102-7	Scale of the organization	Puratos in a nutshell Key financial and CSR figures in 2021	Page 6
102-8	Information on employees and other workers	Key performance indicators	Page 104
102-9	Supply chain	Our commitment to ethical trade practices	Page 22
102-10	Significant changes to the organization and its supply chain.		No significant changes to Puratos or its supply chain.
102-11	Precautionary Principle or approach	Environment	Page 32
102-12	External initiatives	Our commitment to ethical trade practices Puratos and the Sustainable Development Goals Corporate Governance Policy	Page 22-31 Page 32-40 Page 68-70
102-13	Membership of associations	Our commitment to ethical trade practices	Page 22-34
Strategy			
102-14	Statement from senior decision-maker	Letter from the Chairman and CEO	Page 3
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Good governance	Page 71-72
102-17	Mechanisms for advice and concerns about ethics	Good governance	Page 71-72
Governance			
102-18	Governance structure	Good governance	Page 68-70
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder engagement	Page 80-81
102-41	Collective bargaining agreements	Human rights	Due to confidentiality reasons we cannot disclose how many employees are part of a trade union.
102-42	Identifying and selecting stakeholders	Stakeholder engagement	Page 80
102-43	Approach to stakeholder engagement	Stakeholder engagement	Page 76-77, 80-81
102-44	Key topics and concerns raised	Stakeholder engagement	Page 80-81
Reporting practice			
102-45	Entities included in the consolidated financial statements	About this report	Page 76
102-46	Defining report content and topic boundaries	About this report	Page 76
102-47	List of material topics	Materiality assessment	Page 78-79
102-48	Restatements of information		No restatements of information
102-49	Changes in reporting		No changes in reporting

GRI Content Index - continued

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102-50	Reporting period	About this report	Page 76 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	About this report Back cover	Page 76 Page 105
102-54	Claims of reporting in accordance with the GRI standards	About this report	Page 76
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Specific disclosures - Highly material topics

		Location	Page
GRI 200: Economic Standards			
GRI 204: Procurement practices (linked to material topic 'transparent and responsible sourcing')			
103-1	Explanation of the material topic and its Boundary	Appendix Responsible sourcing	Page 78 Page 22-31
103-2	The management approach and its components	Responsible sourcing	Page 22-31
103-3	Evaluation of the management approach	Responsible sourcing	Page 22-31
Own indicator	% of eggs originating from an alternative to breeding cages	Responsible sourcing	Page 31
GRI 205: Anti-corruption (linked to material topic 'responsible and ethical business conduct')			
103-1	Explanation of the material topic and its Boundary	Appendix Corporate Governance Policy	Page 78 Page 71-74
103-2	The management approach and its components	Corporate Governance Policy	Page 71-74
103-3	Evaluation of the management approach	Corporate Governance Policy	Page 71-74
Own indicator	% of employees that followed training on ethical behaviour and cyber security	People	Page 51
GRI 300: Environmental Standards			
GRI 301: Materials (linked to material topic 'sustainable and circular packaging')			
103-1	Explanation of the material topic and its Boundary	Appendix Materiality assessment	Page 78 Page 38-39
103-2	The management approach and its components	Environment-Packaging	Page 38-39
103-3	Evaluation of the management approach	Environment-Packaging	Page 38-39
Own indicator	Register our packaging spend (T of packaging purchased that is recyclable, reusable, non-recyclable or non-reusable)	Packaging	Puratos currently does not disclose this information but aims to collect and disclose it from 2022 onwards.
GRI 305: Emissions (linked to material topic 'greenhouse gas emissions')			
103-1	Explanation of the material topic and its Boundary	Carbon neutral and water balanced Appendix	Page 32-36 Page 78
103-2	The management approach and its components	Carbon neutral and water balanced	Page 32-36
103-3	Evaluation of the management approach	Carbon neutral and water balanced Environmental data summary	Page 32-36 Page 78
305-1	Direct (Scope 1) GHG emissions	Environmental Data Summary	Page 83



		Location	Page
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data Summary	Page 84
305-3	Other indirect (Scope 3) GHG emissions	Environmental Data Summary	Page 84-87
305-4	GHG emissions intensity	Environmental Data Summary	Page 87
305-5	Reduction of GHG emissions	Environmental Data Summary	Page 88
Own material topic: Environmentally-friendly products and sustainable ingredients			
103-1	Explanation of the material topic and its Boundary	Responsible sourcing Appendix	Page 22-31 Page 78
103-2	The management approach and its components	Responsible sourcing	Page 22-31
103-3	Evaluation of the management approach	Responsible sourcing	Page 22-31
Own indicator	% of cocoa sourced in a sustainable way and % thereof sourced through Puratos' Cacao-Trace Program	Responsible sourcing Appendix	Page 26 Page 103
GRI 400: Social Standards			
GRI 416: Customer health & safety (linked to material topic 'Healthy, natural and nutritious products')			
103-1	Explanation of the material topic and its Boundary	Healthy, natural and nutritious products Appendix	Page 16-17 Page 78
103-2	The management approach and its components	Healthy, natural and nutritious products	Page 16-17
103-3	Evaluation of the management approach	Healthy, natural and nutritious products	Page 16-17
Own indicator	Tons of fruit processed into Puratos' fruit fillings	Healthy, natural and nutritious products Appendix	Page 15 Page 103
Own indicator	Tons of cereals and grains used in Puratos' product solutions	Healthy, natural and nutritious products Appendix	Page 15 Page 103
Own indicator	Tons of sugar, salt and fat reduced in Puratos' baked goods	Healthy, natural and nutritious products Appendix	Page 15 Page 103

Additional GRI Indicators

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GRI 302: Energy (linked to material topic 'Greenhouse gas emissions')			
302-1	Energy consumption within the organization	Environmental Data Summary	Page 82
302-3	Energy intensity	Environmental Data Summary	Page 83
302-4	Reduction of energy consumption	Environmental Data Summary	Page 83
GRI 303: Water and effluents (linked to material topic 'water stewardship')			
303-3	Water withdrawal	Environmental Data Summary	Page 89
303-4	Water discharge	Environmental Data Summary	Page 89-90
303-5	Water consumption	Environmental Data Summary	Page 90
GRI 306: Effluents and waste			
306-1	Water discharge by quality and destination	Environmental Data Summary	Page 92

Key performance indicators

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

Pillar	Commitment/Goals	2017	2018	2019	2020	2021
Healthy and Quality Products	Health performance					
	Tons of fat removed from our products	4.862 T	7.187 T	7.238 T	7.172 T	9.264 T
	Tons of salt removed from our products	301 T	265 T	223 T	104 T	110 T
	Tons of sugar removed from our products	379 T	679 T	769 T	681 T	1.236 T
	Well-Being performance					
	Tons of fruits processed into our fruit fillings vs previous year	+9%	+15%	+4%	+2%	+8%
	Tons of grains and seeds used in our product solutions vs previous year	0%	+12%	-1%	+8%	+32%*
	<i>*Raw materials with a superior nutritional benefit are included in the 'Grains & Seeds' category. Whole wheat flour was wrongly excluded in previous reporting years. The volumes were retrospectively updated since 2016 to show an evolution on the same scope. A second impacting change of scope was the integration of Diamant (Austria) acquired by the Group in our SAP system.</i>					
	H&WB products sold					
	% of H&WB products sold vs total products sold	-	-	-	23.1%	27,3%
Responsible Sourcing	Food safety performance					
	Percentage of Puratos facilities certified according to one of the GFSI standards	87%	89%	94%	96,5%	97,5%
	Cocoa performance					
	% of cocoa purchased in a sustainable way	19%	26,30%	26,64%	26,67%	36%
	% of cocoa purchased through our audited Cacao-Trace program	-	10,58%	9,17%	9,89%	15%
Environment	# of trees planted in our direct Cacao-Trace supply chain	-	-	40.000	90.000	270.000
	% of cage-free eggs sourced	-	-	-	-	22%
	Energy performance					
	Total emission	111.635 tCO ₂ e	103.922 tCO ₂ e	101.013 tCO ₂ e	89.057 tCO ₂ e	94.308 tCO ₂ e
	GHG Scope 1	68.287 tCO ₂ e	73.809 tCO ₂ e	75.935 tCO ₂ e	72.848 tCO ₂ e	79.719 tCO ₂ e
	GHG Scope 2	43.348 tCO ₂ e	30.112 tCO ₂ e	25.078 tCO ₂ e	16.210 tCO ₂ e	14.589 tCO ₂ e
	Renewable energy used	136 MWh	116 MWh	295 MWh	1.278 MWh	3.044 MWh
	Imported green electricity	0 MWh	78.102 MWh	99.446 MWh	103.370 MWh	127.392 MWh
	Water performance					
	Water withdrawal	1.770 ML	1.806 ML	1.808 ML	1.793 ML	1.982 ML
	Total water consumption	475 ML	451 ML	429 ML	439 ML	512 ML



Pillar	Commitment/Goals	2017	2018	2019	2020	2021
Heritage	Sourdough performance					
	Storage of sourdoughs in physical library	103	115	125	131	136
	Storage of sourdoughs in virtual library	1.094	1.441	1.700	1.900	2.500
People	Human capital development **					
	Total headcount	8.511	9.011	9.370	9.318	9.535
	Female permanent employees	-	-	-	2.482	2.534
	Female temporary employees	-	-	-	158	166
	Male permanent employees	-	-	-	6.360	6.421
	Male temporary employees	-	-	-	318	411
	APMEA permant employees	-	-	-	2.238,8	2.299,0
	APMEA temporary employees	-	-	-	216	234
	BeOps permant employees	-	-	-	820	826
	BeOps temporary employees	-	-	-	28	38
	HQ permant employees	-	-	-	488,5	488,0
	HQ temporary employees	-	-	-	11	11
	Cocoa permant employees	-	-	-	78,5	81
	Cocoa temporary employees	-	-	-	15	21
	F&F permant employees	-	-	-	2	3
	F&F temporary employees	-	-	-	0	0
	N&EEU permant employees	-	-	-	1.793	1.811
	N&EEU temporary employees	-	-	-	71	83
	NAM permant employees	-	-	-	1.300,7	1.314
	NAM temporary employees	-	-	-	13	49
	SAM permant employees	-	-	-	926,5	949,0
	SAM temporary employees	-	-	-	97	89
	SEU permant employees	-	-	-	1.194	1.187
	SEU temporary employees	-	-	-	25	52
	% 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%
	** 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)					
	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)	87 1,09	88 0,96	71 0,75	79 0,84	99 1,08
	The number and rate of recordable work-related injuries	- -	200 2,17	199 2,11	184 1,96	128 1,38
	The main types of work-related injury	-	Slip, Trip & Falls	Slip, Trip & Falls	Slip, Trip & Falls	Slip, Trip & Falls
	The number of hours worked	15.925.550	18.412.824	18.854.779	18.769.820	18.580.125
Communities	Bakery Schools					
	Students graduated and employed	38	79	100	129	178
	Next Generation Cacao					
	Chocolate bonus distributed	177.638 €	288.000 €	382.496 €	433.305 €	1.025.845 €

GRI 102-1
GRI 102-3

GRI 102-5
GRI 102-53

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