



puratos

Food Innovation for Good



FOOD
Innovation for
GOOD



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

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

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

Contents

Introduction	1	Better Health	12	Governance Structure	36
Letter from the CEO	2	Health & Well-Being	13	Puratos's Governance Structure	37
About Us	4	Food safety and quality of our products	15		
Financial and non-financial highlights	6			Appendix	38
		Better Planet	16	Key performance indicators	40
Puratos's Sustainability Approach	8	Responsible Sourcing	17		
Our commitments to You and Future Generations	8	Environment	20		
Sustainability in our Organization	9	Better Life	24		
Puratos and the Sustainable Development Goals	10	Heritage	25		
		People	28		
		Communities	32		

Our reporting suite:

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



Read more at www.puratos.com



Better Health

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

 [Read more on Page 12](#)

Better Planet

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

 [Read more on Page 16](#)



Better Life

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

 [Read more on Page 24](#)



Letter from the CEO



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

Pierre Tossut
CEO Puratos Group



Food Innovation for Good

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



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

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

We also remained committed to our goal of creating food innovation for good. We developed products that promote health and well-being, and we continued to invest in sustainable solutions to reduce our water consumption and CO₂ emissions.

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

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

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

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

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

Pierre Tossut
CEO Puratos Group

Cédric Van Belle
Chairman of the board

About Us



Who we are

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

Our Purpose

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

Our Mission

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

Our Values



Vision

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



Courage

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



Passion

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



Collaboration

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



Integrity

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



Quality

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

GRI 2-1

GRI 2-6

GRI 2-7



Founded in

1919

Employees

10,062

R&D researchers & technical advisors

1,169

Revenue invested in R&D

2%

Products are available in 135 countries

135

129 subsidiaries in 84 countries

129

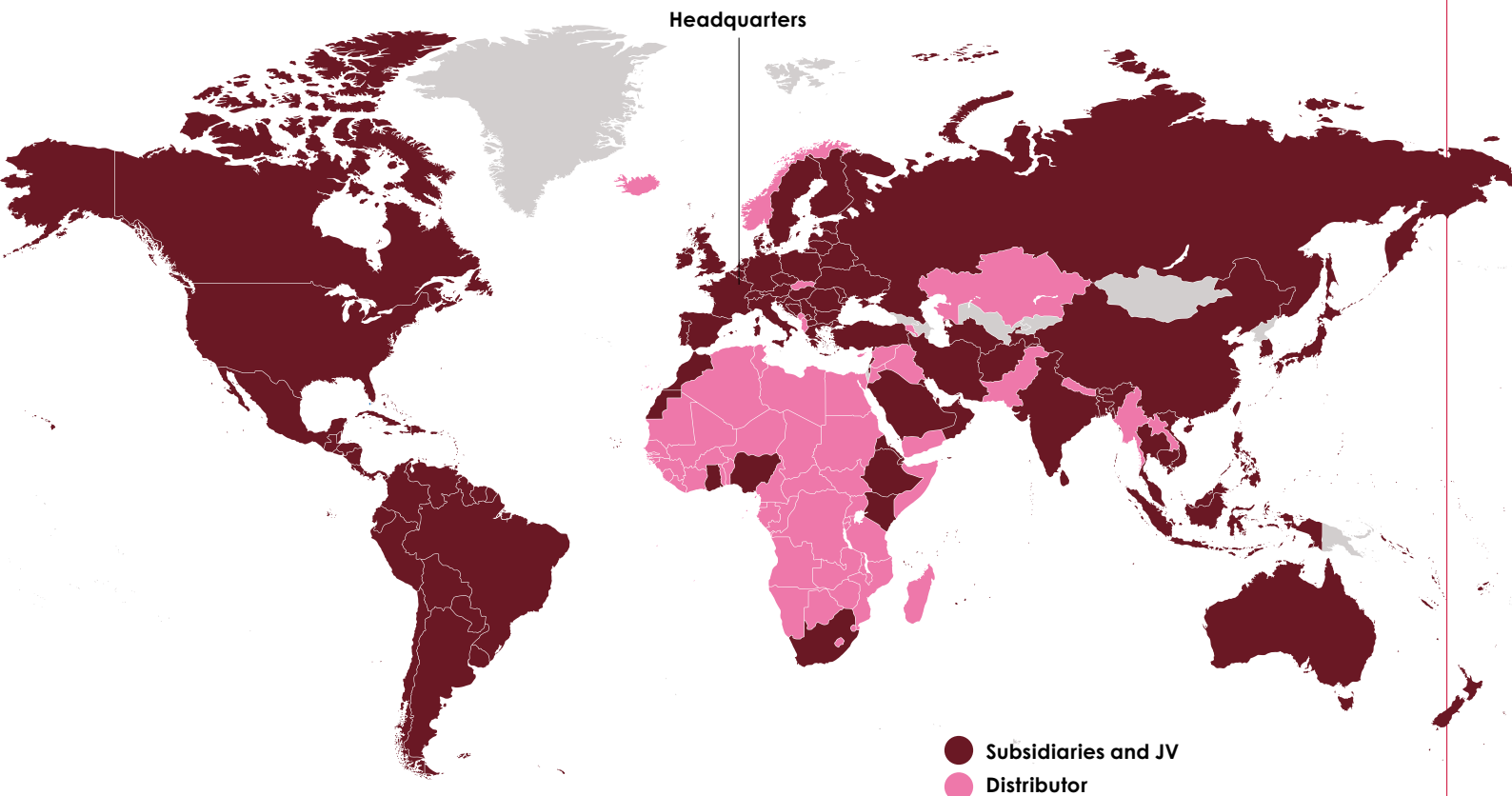
74 production units in 52 countries

74

Innovation centers around the world

118

Map of activities

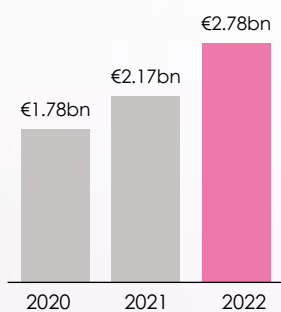


Financial and non-financial highlights

Key financial highlights

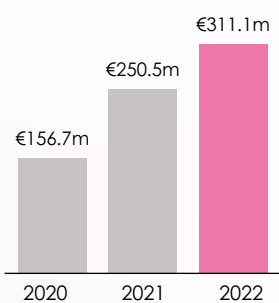
Net Sales

€2.78bn



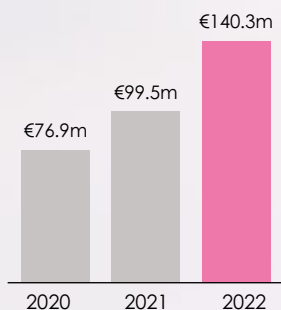
EBITDA

€311.1m



Investments

€140.3m



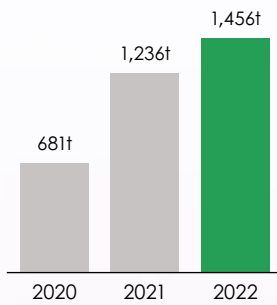


Key non-financial highlights

Better Health

Sugar removed from baked goods

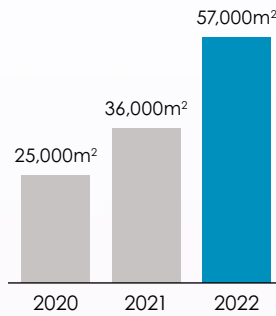
1,456 tons



Better Planet

Solar panels installed

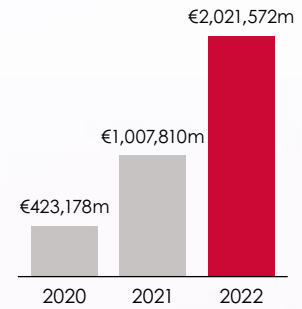
57,000m²



Better Life

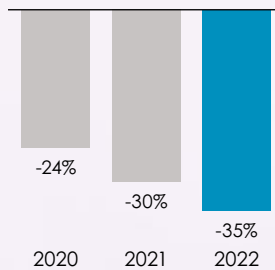
Chocolate Bonus distributed

€2m



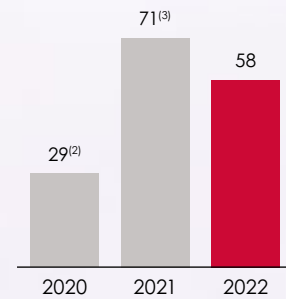
Reduction in scope 1 and 2 CO₂ emissions¹

35%



Students graduated from our Bakery Schools²

58



¹ Compared to what we would emit without doing anything to mitigate emissions.

² 17 in Mexico and 12 in Brazil. Due to Covid no graduation in 2020 in India.

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



Puratos's Sustainability Approach

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

Our sustainability approach is not just a set of goals and objectives; it is ingrained in everything we do. We see it as **our commitments to you and to future generations**.

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

Our commitments to You and Future Generations

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

GRI 2-25

GRI 3-3



Better Life

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

[Read more on Page 40](#)

Better Health

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

[Read more on Page 22](#)



Better Planet

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













[Read more on Page 28](#)

Sustainability in our Organisation

Materiality Assessment Summary

In order to define our priorities, we have conducted a double materiality assessment, which we review on a regular basis to ensure our work reflects the priorities of our partners in the value chain. More details on this process are available in the extended version of this document. The resulting priorities are covered as material topics in the chapters of this summary.










Puratos and the Sustainable Development Goals

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



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



SDG Goal	UN targets	Our relevant commitments	Commitments
	8.5 8.6	<ul style="list-style-type: none"> We pay all employees fairly and competitively, contributing to a decent work environment. We offer job security to all students that graduate from our Bakery Schools. Since 2016, 304 students have graduated and gained employment by Puratos or one of our clients. We ask all suppliers to sign our Code of Conduct, to ensure the same levels of ethical requirements are maintained throughout our supply and production chains, and to eradicate any form of forced labor. 	  
	9.4	<ul style="list-style-type: none"> Our production site in Erembodegem, Belgium, will be made more sustainable through increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes – allowing the current site and its future extension to become carbon-neutral. 	
	12.2 12.3 12.4 12.9	<ul style="list-style-type: none"> By informing clients of 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 the efficient use of our natural resources. By training cocoa farmers on fermentation techniques, we help them to decrease their post-harvest losses. By putting in place a waste management program, we aim to prevent, reduce, reuse, and recycle our waste. 	  
	13.3	<ul style="list-style-type: none"> We run webinars for our employees to improve education and raise awareness on climate change mitigation, adaptation, impact reduction and early warning. 	
	15.1	<ul style="list-style-type: none"> By compensating our CO₂ emissions through a 'carbon in-setting program' within our cocoa supply chain, we are further decreasing our carbon footprint by planting hundreds of thousands of trees. By supporting the Rimba Raya project in Borneo, we will halt deforestation, restore degraded forests, and halt the loss of biodiversity. 	
	17.2	<ul style="list-style-type: none"> As a member of Beyond Chocolate and the Cocoa Forest Initiative, we can work on eradicating forced child labor, assuring a living income for the cocoa farmers, and stopping deforestation. 	 

Our Commitments



Health & Well-Being



Responsible Sourcing



Environment



Heritage



People



Communities

Better Health



Health & Well-Being

1,456 tons

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


 [Read more on Page 23](#)



Safety and Quality of products

98.9%

of our goods are produced 'right first time'.

 [Read more on Page 26](#)



Health & Well-Being

As a food ingredients supplier, we believe it is our responsibility to help people everywhere achieve a healthy, balanced diet and support their overall well-being.

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

Our long-term objectives

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

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

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

Key Performance Indicators

Of fruit processed into our fruit fillings – the equivalent of harvesting nearly 320,000 fruit trees¹. This results in a year-on-year growth of 5% since 2016.

15.9k tons

Of cereals and grains used in our products – the equivalent of harvesting 6,721 hectares of crops² and which results in a year-on-year growth of 8% since 2016.

36k tons

Our innovations enabled a 1,456-ton reduction in the amount of sugar in bakery, patisserie and chocolate goods – the equivalent of more than eight million sugar dispensers³. This results in a year-on-year decrease of sugar present on the market of 31% since 2016.

1,456 tons

We removed 12,503 tons of fat – the equivalent of more than 14 million bottles of oil⁴. This results in a year-on-year increase of fat removed from the market of 26% since 2016

12k tons

We removed 126 tons of salt – the equivalent of more than a million (1,098,126) saltshakers⁵, a further decrease of 15% versus 2021.

126 tons

Better Health
continued





Food safety and quality of our products

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

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

1. **Driving a mindset of continuous improvement.**
2. **Developing food safety and quality leadership in our teams.**
3. **Supporting R&D on excellence in innovation.**
4. **Developing, implementing, and continuously improving.**
5. **Supporting the development and improvement of reliable processes.**
6. **Sourcing and delivering the right quality.**

Our long-term objectives

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

Key Performance Indicators

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

99.6%

Customer complaints per 1,000 tons of product delivered.

3.77

'Right first time' production

98.9%



Better Planet



Responsible Sourcing

215,000

trees planted.



Read more on Page 29



Environment

90%

of our total electricity comes from renewable sources.



Read more on Page 34

GRI 2-6

GRI 2-23

GRI 2-24

GRI 2-25

GRI 2-28

GRI 3-3



Responsible Sourcing

Our commitment to ethical trade practice

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

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

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

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

Our commitment to sustainable palm oil

Our long-term objectives

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

Key Performance Indicators

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

32

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

58%

Our approach

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

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

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

Better Planet continued

Our commitment to sustainable cocoa

Our long-term objectives

- By 2025, Puratos will have planted 1.6m trees in its direct Cacao-Trace cocoa supply chain – to promote climate-smart farming techniques, provide additional income, and sequester carbon.
- By 2025, all chocolate produced and sold by Belcolade will be sustainable, in accordance with Beyond Chocolate.
- By 2030, cocoa growers will earn a living income, in accordance with Beyond Chocolate.
- By 2030, The Next Generation Cacao Foundation has the ambition to double its contribution toward cocoa farmers every two years.

Our approach

Cocoa is an essential raw material for the production of real chocolate, coating chocolate, fat-based fillings, and bakery mixes.

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

Key Performance Indicators

In 2022, our share of sustainable cocoa increased to

44%

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

Trees planted

215,000

This is born out of our Cacao-Trace program, which focuses on quality and brings additional income to 10,784 farmers around the world. In 2022, we paid out a record Chocolate Bonus of €2m to our community of farmers. You can read more about Cacao-Trace on page 8, and our Next Generation Cacao Foundation on page 56.

Guided by the ILO's Declaration on Fundamental Principles and Rights at Work as a minimum, we expect every supplier to uphold these standards. At a global level, Puratos commits to the ILO conventions that there must be:

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

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

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





Our commitment to a sustainable fruit supply

Our long-term objectives

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

In 2023 we aim to reach:

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

Key Performance Indicators

5%

of fruit sourced compliant with Field to Fork strategy

Our approach

Our approach to sustainability at Puratos is reflected in our fruit sourcing strategy, which is an integral part of our commitment to a sustainable future. Our 'Field to Fork' strategy aims to source at least 15% of our fruit sustainably by 2025, with the goal of achieving 100% compliance with our Fruit Pesticide Policy by the same year.

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



Our commitment to animal welfare

Our long-term objectives

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

Key Performance Indicators

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

31%

Our approach

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



Environment

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

Carbon footprint

Our objectives	Key Performance Indicators	
<ul style="list-style-type: none"> By 2023, purchase 100% renewable electricity. By 2025, make our direct operations carbon-neutral, and develop a plan for Scope 3 net-zero. 	<p>Puratos achieved a 35% reduction in its Scope 1 and 2 CO₂ emissions, compared to what we would emit without doing anything as shown in the chart below. We also met our energy efficiency target of a 35% year-on-year reduction in CO₂ per ton produced.</p> <p>35%</p> <p>Our operations in the Philippines and Austria, as well as our Chocolanté 60DAYS Chocolate from Vietnam, became carbon neutral.</p>	<p>Puratos sourced 90% of its total electricity from renewable sources, and now uses 100% renewable sources in 25 of the countries it operates in.</p> <p>90%</p> <p>In 2022, 215,000 trees were planted in the Philippines, Vietnam, Mexico, Papua New Guinea, Ivory Coast and Uganda.</p> <p>215,000</p>

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

Puratos's carbon-neutral certifications

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

Additionally, our sites in the Philippines and Austria have achieved carbon neutrality and obtained the CO₂-NEUTRAL label from Vincotte according to the PAS 2060 international standard for CO₂ neutrality, which guarantees credible climate action.

Renewing our site and entity CO₂-neutral certifications in Vietnam, Thailand, and Brazil's chocolate factory demonstrates

our ongoing commitment to reducing our carbon footprint. In 2022, we achieved a 35% reduction in our Scope 1 and 2 CO₂ emissions compared to 2016, bringing us closer to our carbon neutrality objective.

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

Energy efficiency

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

We've invested €4m in 36 energy efficiency projects, including new technologies, energy recovery, utility optimization, process optimization, and preventive maintenance. In 2022, we achieved our energy efficiency target with a 3% reduction in MWh per ton produced compared to 2021, resulting in an economy of scale of 4,900 tCO₂e.

We're proud of this achievement and remain committed to continuously improving our energy efficiency to further reduce our carbon footprint.

Renewable energy

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

We've installed 57,000m² of solar panels on-site in 22 countries, which is equivalent to 12 football fields. By 2025, we plan to add panels at another 27 sites, covering an additional 17 football fields, and produce 21% of our electricity needs on-site. In addition to on-site renewable energy production, we already source 100% renewable electricity off-site in 25 countries – representing 88% of our total electricity consumption. We aim to achieve 100% renewable electricity in all operating countries by 2023.



Water footprint

Our long-term objectives

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

Key Performance Indicators

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

3%

€1.8m invested in seven wastewater treatment projects.

€1.8m

Water footprint

In 2022, we reduced our water consumption per ton produced by 3%, representing an economy of scale of 57,000m³ per year.

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



Better Planet continued

Packaging

Our long-term objectives

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

Waste generated in operations

Our long-term objectives

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

Our approach

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

To achieve these objectives, we focus on reducing the amount of single-use packaging and reusing as much packaging as possible. Today, more than 90% of our packaging materials, both primary, secondary, and tertiary, are considered reusable or recyclable-ready.

Our focus areas include increasing reusable packaging through pooling systems on pallets and industrial containers, developing recyclable-ready solutions on powder bags with our global scope in mind, and developing innovative flexible plastic packaging solutions in mono-polymer structure materials.

Waste Hierarchy



Food waste

Our long-term objectives

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

Our approach

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

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



Better Life



Heritage

2,700+

sourdoughs registered in our digital library since September 2016.



Read more on Page 41



People

100%

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



Read more on Page 46



Community

€2m

annual Chocolate Bonus distributed in 2022.



Read more on Page 54



Heritage

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

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

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

Our long-term objectives

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

Key Performance Indicators

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

139

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

2,700



Better Life continued





Bread

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

There are variations of bread in all regions of the world that are an integral part of basic food, and of the local culture. Thanks to our global presence, we've been able to develop products based on traditional local recipes, celebrating the authentic taste of bread from all corners of the world.

Belgian chocolate

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

Belgian chocolate manufacturers have always worked with high-quality cocoa beans, which give the chocolate its special taste – and the refinement in Belgium is such that the chocolate leaves no grain sensation when it melts on the

What is sourdough?

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

tongue. The popularity of the praline, invented in Belgium in 1912, has also greatly contributed to the fame of Belgian chocolate.

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

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

Belcolade, our chocolate brand, has been producing chocolate for more than 30 years – using the finest raw materials, respecting the Belgian way of producing chocolate, and enhancing the taste.

Belcolade uses no fat, other than that of the cocoa, and only natural vanilla. As a result, Belcolade chocolate has a distinctive taste, highly appreciated in consumer tests.





People

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

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

Our long-term objectives

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

Net sales

1%

Key Performance Indicators

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

Global courses available

385

Active learners

7,247

Learning hours

47,212



Puratos Magic

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

Our Puratos Magic culture is a unique set of values embedded in the DNA of our passionate people, who demonstrate this passion in everything they do

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

Learning and development

Our strategy and goals

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

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

Our approach

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

The Puratos University offers top-quality content related to our products, technologies and solutions, functional capabilities, and leadership skills.

Career development

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

Our long-term objectives

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

Key Performance Indicators

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

100%

Health and safety

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

Our long-term objectives

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

Key Performance Indicators

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

-46%

Better Life continued

Diversity

Our approach

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

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

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

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

Our aspirations

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

Diversity at Puratos

Different nationalities

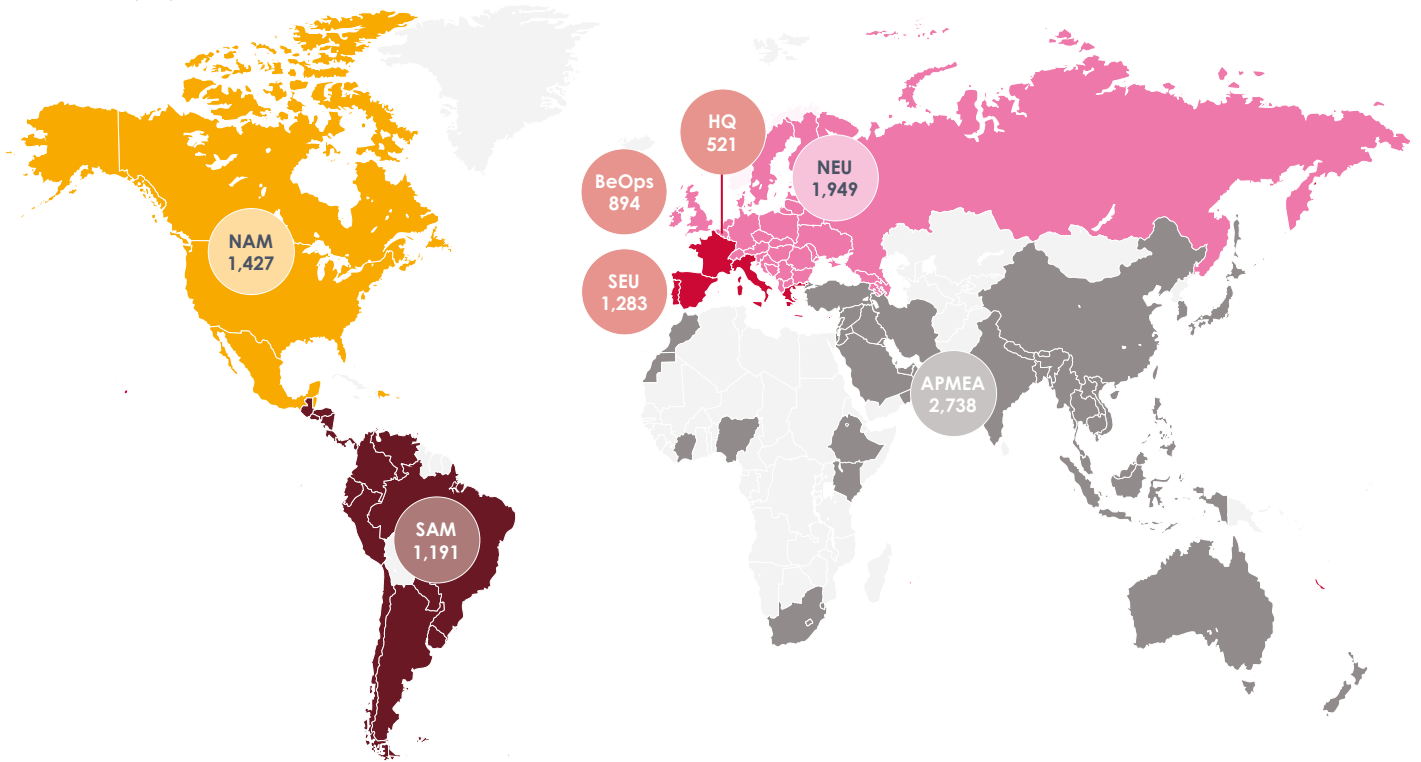
120

Spoken languages

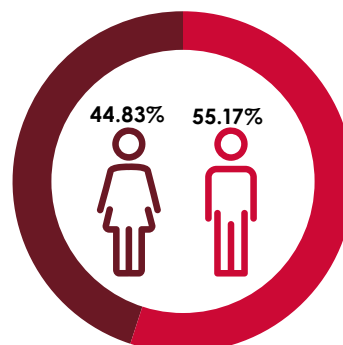
43

Key Performance Indicators 2022

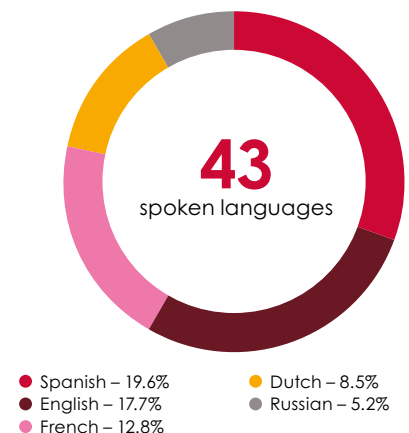
Puratos employees worldwide:



Gender distribution U-team:



Top 5 spoken languages worldwide:





Employee well-being

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

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

Rewarding employees fairly

Position management

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

Fair compensation

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





Communities

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

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

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



The Bakery Schools Foundation

Our long-term objectives

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

Key Performance Indicators

Students graduated from Bakery Schools worldwide:

58

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

Students are currently enrolled in the program

424

New Bakery Schools opened in the USA and Lebanon.



The Next Generation Cacao Foundation

Our long-term objectives

- Increase the total Chocolate Bonus reallocated to farmers annually.

Key Performance Indicators

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

€2m



The Bakery School Foundation Annual Report 2022

Better Life continued

Mission to Mars

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

Puratos's Mission to Mars program is a journey towards a more sustainable future on Earth.

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

But it wasn't just about growing wheat. We also needed an efficient leavening agent to make bread. and we discovered that sourdough offers a unique solution.

When it came time to bake the bread, We investigated different technologies, such as microwaving, to use energy in the most efficient way possible. We even developed a new product, Cubease, a small cube with a big impact, providing outstanding dough tolerance and strength while taking up only a fraction of the storage space of traditional dough conditioners.

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

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





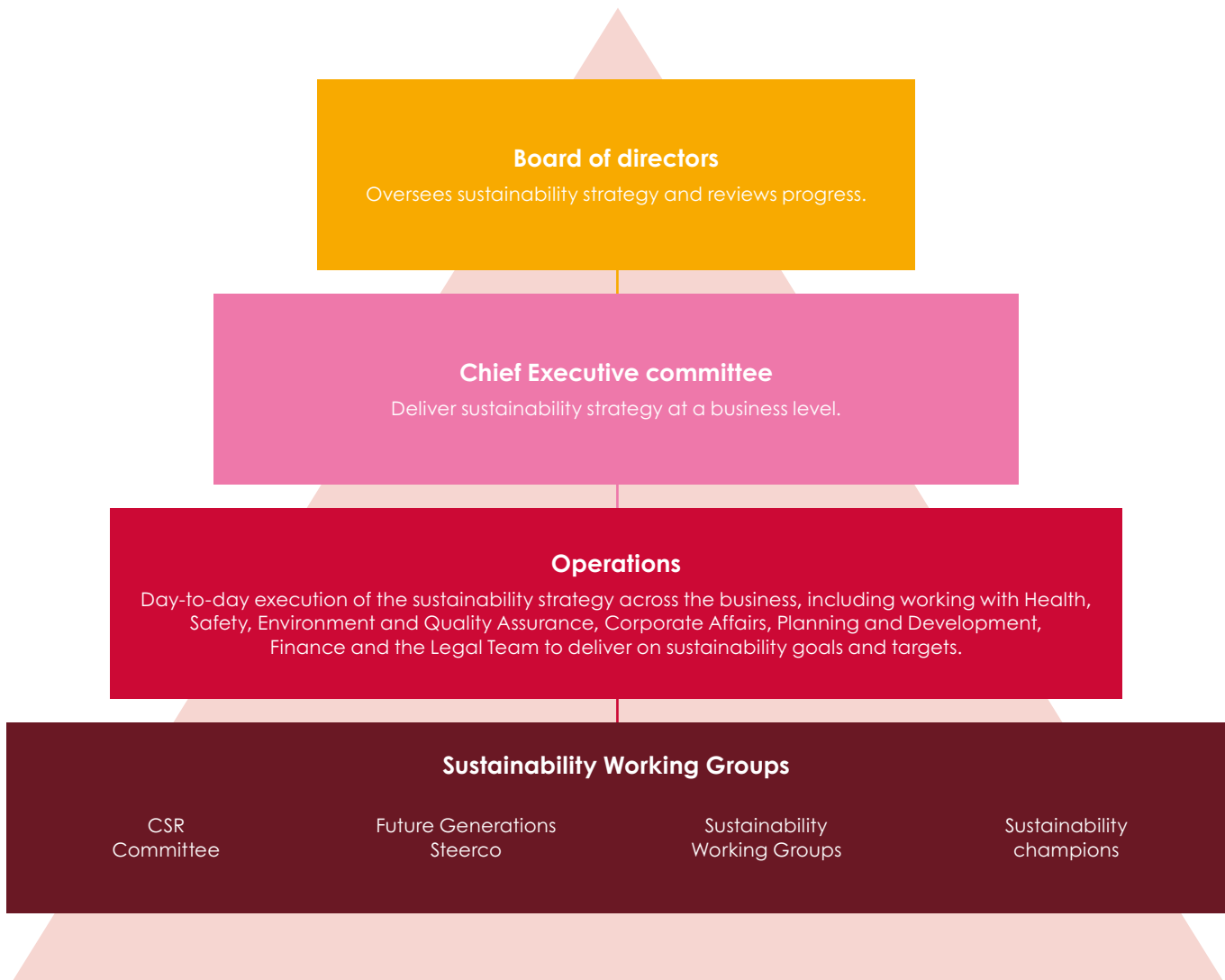




Puratos's Governance Structure

The Puratos sustainability strategy Better Health, Better Planet and Better Life outlines our ambitions and commitments, creating a common agenda for the Puratos Group, leading together towards 2025. It provides a focus and collaboration for everybody within the Puratos Group to contribute to a positive impact on people, society and the planet, across the value chain. Each

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



Appendix



Key performance indicators

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



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

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

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

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

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

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

Commitments	Our long-term objectives	2017	2018	2019	2020	2021	2022
People	Human capital development*						
	Total headcount	8,511	9,011	9,370	9,318	9,535	10,062
	Global courses				190	268	385
	Active learners				4,218	6,160	7,247
	Learning hours				35,388	28,027	47,212
	% of female employees received regular performance and career development reviews	100%	100%	100%	100%	100%	100%
	% of male employees received regular performance and career development reviews	100%	100%	100%	100%	100%	100%
	* Our HR Market setup is the same as the one used for finance reporting: APMEA (Asia Pacific, Middle-East & Africa), BeOps (Belgian Operations present of the 5 Belgian sites), HQ (supporting functions in Groot-Bijgaarden), Cocoa (entities with chocolate activities including Vietnam Ben-Tre, Plantación Tikul and Eco Museo), F&F (entity of BelFeed), N&EEU (Northern and Eastern Europe), NAM (North-America), SAM (South-America) and SEU (Southern Europe).						
	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	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	63 0.58 ⁽⁶⁾	
The number and rate of recordable work-related injuries	– –	200 2.17	199 2.11	184 1.96	128 1.38	176 1.53	
The number of hours worked	15,925,550	18,412,824	18,854,779	18,769,820	18,580,125	19,766,624	
Communities	Bakery Schools						
	Students graduated	38	57	100	151	200	58
	Next Generation Cacao						
Chocolate bonus distributed	€177,638	€288,000	€382,496	€423,178	€1,007,809	€2,021,572	

 **A full GRI compliant report is available upon request**

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



www.puratos.com

Puratos NV/SA – Industrialaan 25, Zone Maalbeek – B-1702 Groot-Bijgaarden, Belgium
T +32 2 481 44 44 | F +32 2 466 25 81 | E info@puratos.com

