

Annual Report 2023



BELCOLADE

THE REAL BELGIAN CHOCOLATE


puratos
Food Innovation for Good

CACAO-TRACE ECOSYSTEM



The Next Generation Cacao Foundation manages the distribution of the Chocolate Bonus to the cocoa farmers.





FOREWORD



In 2015, Puratos created its own responsible cocoa sourcing standard: Cacao-Trace. This program was born out of the conviction that, on our own scale, we could contribute to making the chocolate industry more responsible.

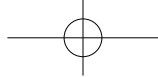
Our strategy is based on two pillars: "Great taste, Doing good". First and foremost, Cacao-Trace's expertise in fermentation and roasting enables us to bring out the full aromatic potential of our beans. It is because we offer a chocolate with exceptional taste that we are able to deploy the societal component of this program via the Quality Premium and the Chocolate Bonus. The Quality Premium rewards the hard work of our producers in delivering beans of the highest possible quality. The Chocolate Bonus, on the other hand, depends entirely on our chocolate sales. For every kilo of chocolate sold, 10 eurocents are collected and redistributed to producers in cash or community projects, via the Next Generation Cacao Foundation.

At the end of 2022, we achieved the feat of doubling our Chocolate Bonus in one year, from 1 to 2 million euros. This exceptional amount was almost entirely redistributed in 2023, enabling us to increase our impact in a remarkable way. I'd like to take this opportunity to salute all our Cacao-Trace customers. Whether you're an independent artisan or a manufacturer, your participation has a real impact on the lives of cocoa farmers.

We are proud of Cacao-Trace, but we are also aware that the program is neither perfect nor sufficient. Since its creation, we have already updated our standard 6 times! We're constantly improving it, and doing so as transparently as possible. Our ambition is not to give a perfect image, but a real one, in order to help the sector as a whole move forward. So I'm delighted to share with you this latest edition of our annual report, in which you can discover both our successes and our challenges.

Cédric Van Belle
Chairman of the board - Puratos
President of the Next Generation Cacao Foundation





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Cacao-Trace presentation and overview



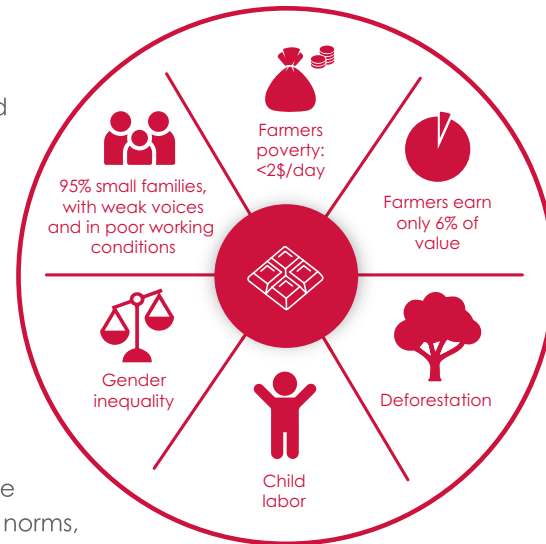
Overview of Cacao-Trace

WHY CACAO-TRACE

At Puratos, for over three decades, we've perfected delicious chocolates and cocoa-based products with brands like Belcolade, Carat, and Chocolanté.

In the last twenty years, concerns like farmer poverty, profit imbalances, deforestation, forced child labor and poor working conditions have tainted the chocolate industry. To ensure chocolate remains a joy, addressing these issues is crucial.

That's why we created Cacao-Trace, our Sustainable Cocoa Program. This initiative goes beyond industry norms, actively tackling challenges in the cocoa supply chain.



Bernardita Ancero, Sawata, Philippines

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

CACAO-TRACE: "GREAT TASTE, DOING GOOD"

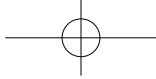
At Cacao-Trace, our guiding principle is 'Great Taste, Doing Good.' This principle drives our innovative approach to sourcing cacao, aiming to create a truly sustainable future for the cocoa chain and everyone involved.

Great Taste: Through Cacao-Trace, we master the fermentation process, ensuring that our range of chocolate and cocoa-based products deliver a Great Taste.

Doing Good: Doing Good is our focus so Cacao-Trace farmers benefit from the value they create. Within Cacao-Trace, we make a lasting commitment to our partner communities by guaranteeing the purchase of 100% of their annual production at a set minimum price, unaffected by market fluctuations.

Moreover, our Cacao-Trace farmers benefit from quality premiums and a bonus linked to chocolate production.

In 2023, our initiative impacted 23,247 farmers and their families across 8 countries.



GREAT TASTE...

We master the fermentation process to ensure our chocolate and cocoa-based products have a Great Taste.

At each step, we define high-quality standards, develop adapted equipment, define the right process, and empower people for a long-term impact.



1. Quality wet beans

All year long the farmers are trained in good agricultural practices (GAP) in order to increase the volume and quality of their yield. They also learn how to sort only the high-quality wet beans. From the very first moment of the harvesting, only the best beans are selected.



2. Fermentation

After the harvesting, the beans are either fermented in the farms by well-trained farmers or delivered to post harvest centers built by Puratos. We hire and train community members to become professional Cacao-Trace fermentation masters.

When the wet beans are delivered, the quality of the beans is checked again and, if needed, an additional sorting is done before starting the fermentation process in optimized wooden boxes for around 6 days. Thanks to our historical knowledge in fermentation with Bakery, Puratos has set up a very high standard fermentation process for cocoa beans that is checked at every step by the fermentation masters.



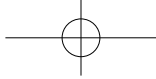
3. Drying

Once fermented, the beans are sun dried for several days either directly in the farms or in our post-harvest centers. The quality of the beans is checked again thanks to our Dry Cocoa guidelines. During this phase, the objective is to reach 8% or lower of humidity so the beans can keep their unique taste as long as possible before being transformed into chocolate.



4. Low-Roasting

Low-roasting cocoa with lower temperatures for a longer duration preserves more delicate flavors in the beans while allowing subtle nuances to develop. As a result, chocolate made from low-roasted cocoa tends to exhibit a milder, fruitier, and less bitter taste profile enhancing the overall complexity and depth of the chocolate's flavor.



...DOING GOOD

Doing Good is our focus so Cacao-Trace farmers benefit from the value they create.

Within Cacao-Trace, our commitment to 'Doing Good' extends across all stakeholders, empowering farmers to benefit directly from the value they create, while fostering a better planet and offering our customers and consumers a pathway to support sustainability with superior-tasting, ethically produced chocolate and cocoa-based products.

For the farmers

The Cacao-Trace Program shares the value that has been created with the farmers thanks to two mechanisms: the Quality Premium and the Chocolate Bonus which both aim at increasing farmers' revenue and improving their living conditions in the long term.

Quality premium

The Quality Premium rewards all Cacao-Trace farmers for the high-quality beans they produce. Our traceability system ensures that each farmer is paid and receives the amount he deserves based on the quantity of beans he delivered. The amount of the Quality Premium is adapted to the local cocoa market. It is also monitored and reviewed yearly.



Chocolate Bonus

For every kg of Cacao-Trace chocolate sold, we collect 10 Eurocents. We collect this money and send it back 100% to cocoa farmers either in cash (10%) directly to the farmers or projects (90%). The projects aim at ensuring access to fundamental needs such as education or health and helping farmers and their families increase their revenue through the launch of small businesses. In order to ensure a complete transparency on the Chocolate Bonus distribution, the money is collected and redistributed through an independent foundation: the Next Generation Cacao foundation (more info at p. 66). The Quality Premium and the Chocolate Bonus together account for 2 to 5 months of extra revenues on a yearly basis for Cacao-Trace cocoa farmers. In 2023, the total amount of Chocolate Bonus collected accounted for 2,4 million euros. 100% of this amount goes directly to the Cacao-Trace farmers and communities. All the operational costs related to the bonus are funded by Belcolade.



For the planet

Our first priority is to ensure that none of our cocoa sourcing causes additional deforestation. We also have an agroforestry project which ambition is to plant 3,440,000 trees by 2030. More information about our reforestation strategy p. 51 - 53.

For our customers

We empower our customers with a business advantage by leveraging the accelerated growth of sustainable cocoa-based products and by deep-diving training on sustainability through customer trips in Cacao-Trace communities (more info p. 57). By providing high-quality cocoa-based products infused with robust sustainability values and direct connections to farmers, we offer our customers the opportunity to offer superior-tasting chocolate that not only strengthens their business but also makes a tangible impact. This unique approach enhances both product value and meaningful storytelling.

For the consumers

With Cacao-Trace, consumers enjoy the superior taste of our chocolate and cocoa-based products, all while embracing a new level of assurance. They savor a guilt-free treat, knowing that their enjoyment directly supports sustainable practices and a conscientious approach to chocolate production.

OBJECTIVES 2025 AND 2030

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

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

2023 SUMMARY ON CACAO-TRACE PROGRAMS

2023 was a year of improvement and focus to bring our existing programs up to the right level of quality and performance. The Cacao-Trace team has grown to increase our human resources, with 8 new hires the team is now complete and ready to take on the everyday challenges.

A new version of the Cacao-Trace sustainability standard has been developed and is in the final stage of review. In 2024 the version 7 will be released with expected implementation at the end of 2024.

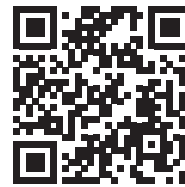
The new version of the standard includes; data integrity, revised checklists and enhanced audit process and control to ensure the right level of governance in our Cacao-Trace programs.



*internal scoring review based on Internal and External audit

Toussaint Claessens – The Chocolate Company, the Netherlands

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



Franz Kasser – Amelie Chocolaterie, Germany

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





The Cacao-Trace standard

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

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

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

In the continuous improvement spirit the Cacao-Trace standard is being reviewed and upgraded to a version 7 which will be released in 2024. The new version will have added elements of digital integrity and improved checklists.

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





CACAO-TRACE STANDARD IS APPLIED AT 3 LEVELS

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

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

THE CACAO-TRACE STANDARD HAS 7 PRINCIPLES

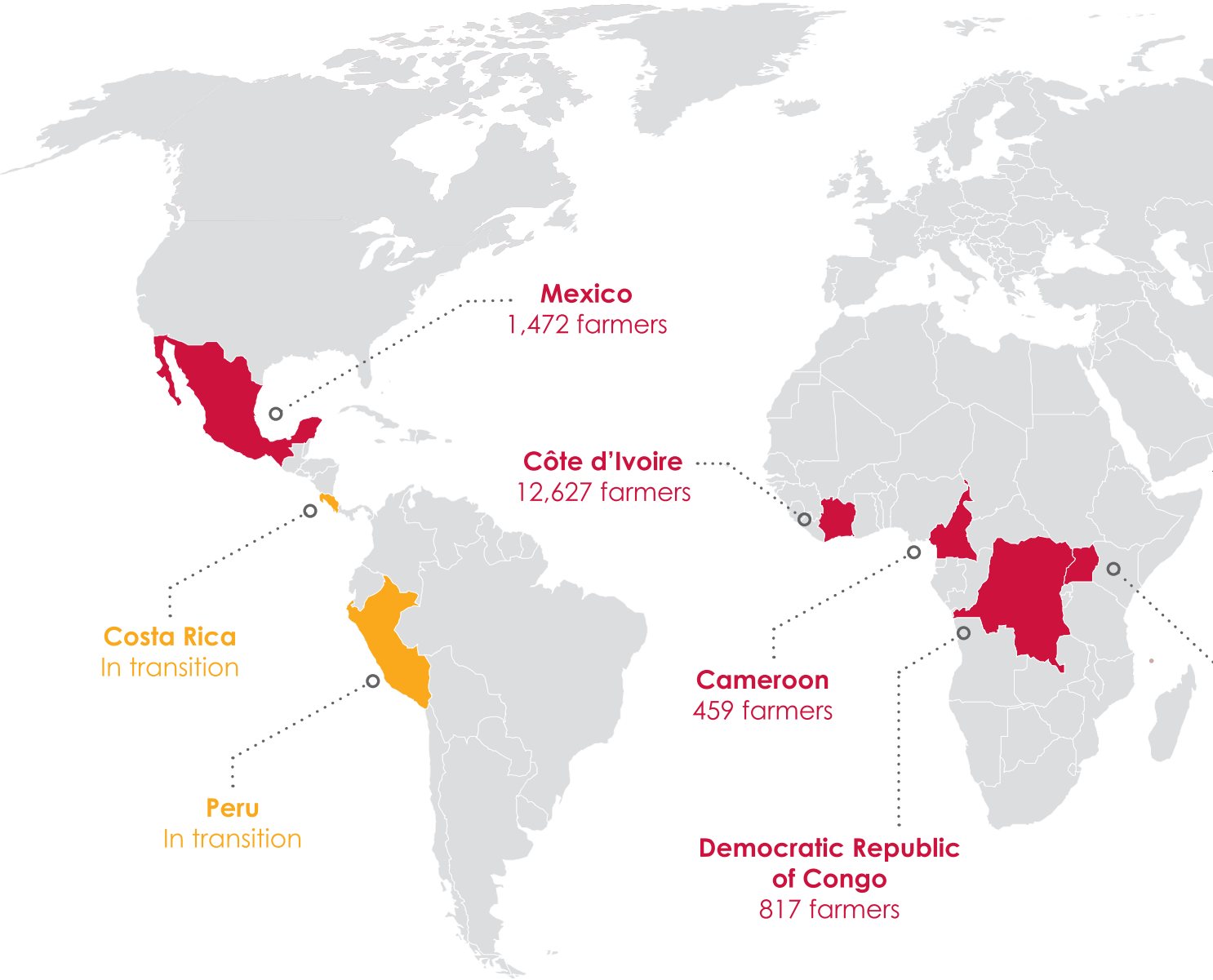
More than 60 Requirements are grouped into 7 principles, which are applied at the 3 levels defined above.

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

Our impact at a glance in 2023

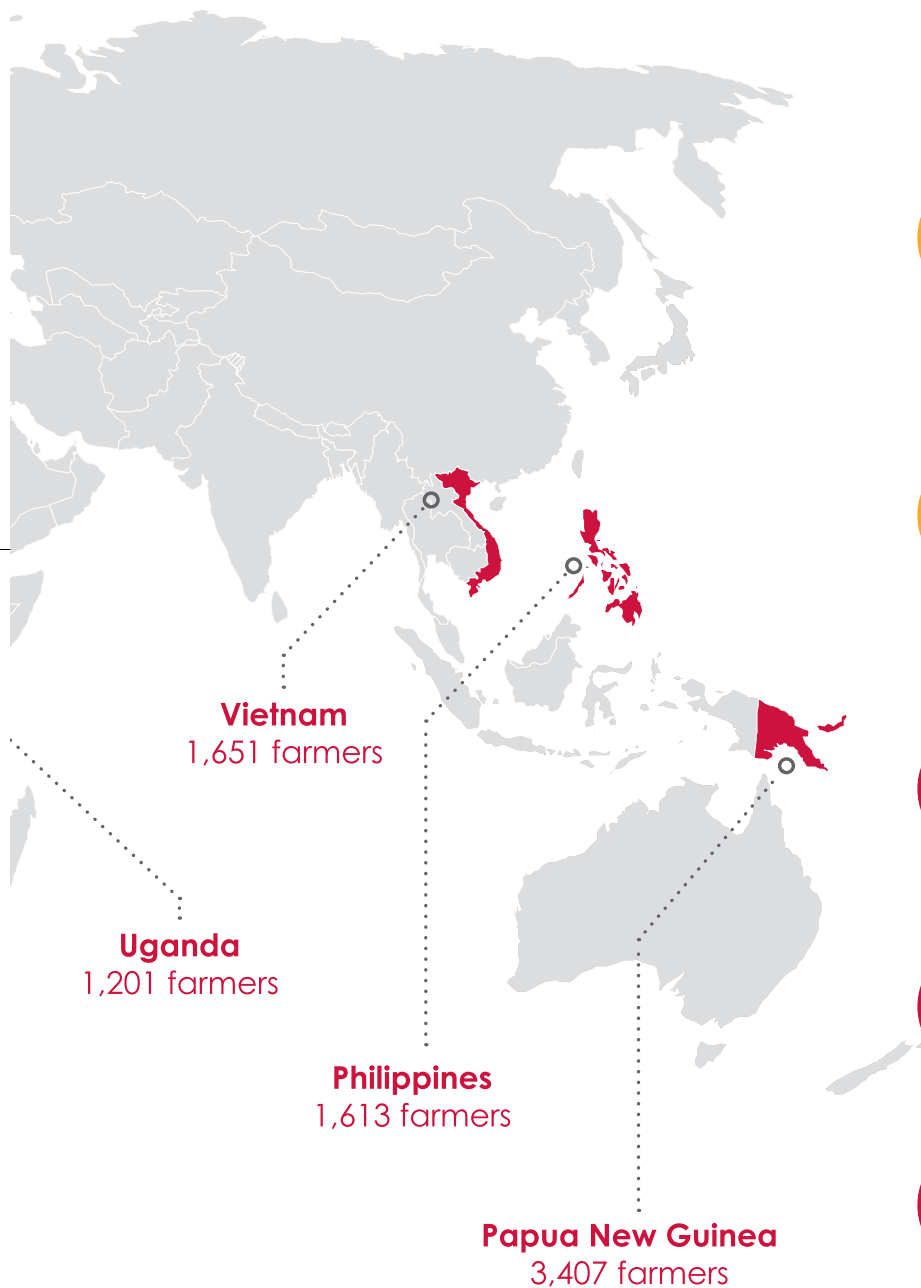
At the end of 2023 Cacao-Trace counted 8 active programs

We are currently deploying the Cacao-Trace initiative in Vietnam (2014), Côte d'Ivoire (2015), Philippines (2017), Mexico (2018), Uganda (2018) Papua New Guinea (2018), Cameroon (2020) and Congo (2023).



LEGEND

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



Reaching
23,247
farmer families



Chocolate Bonus
Total amount
collected in 2023:

€2,4M



Quality Premium
Total amount
distributed

€1,5M



Number of trees
planted:

199,302



Water equipment:

46*

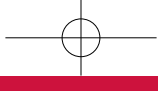


School projects:

12**

* 25 water castles, 20 water tanks and 1 mechanical pump

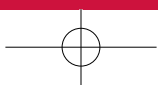
** This number includes the construction of 3 complete primary schools, 8 extensions, renovations, one library and 3 teacher's houses.



02



Countries report







Cameroon

LOCAL ORGANIZATION

The program now works with 450 farmers through 4 cooperatives:

SOCOOLAMOCAM COOP-CA - Lembe-Yezoum
NG-NGORO COOP-CA - Ngoro
SOCOOPEC-N COOP-CA - Ntui
ZOETELE – ZOETELE

Each of these 4 cooperatives houses a fermentation center with a total production capacity of around 500 MT.

CACAO-TRACE AUDIT

The Cacao-Trace audit 2023 had good findings; the main points of improvement focused on the environment linked to digital monitoring and evaluation. Our local partner FODA has indeed started mapping cocoa fields to prevent production activities in protected areas, however it will require acceleration in 2024 in order to meet the EUDR deadline. Efforts need to be made also to strengthen the monitoring of the farms. Finally, measures to control soil erosion in high-risk areas need to be implemented to ensure sustainable farming practices.

CHOCOLATE BONUS

This year, Cameroonian producers benefited from the Chocolate Bonus for 2022 and 2021, for a total of around 13,000€. This amount financed the purchase of 910 School Kits for the children of cocoa farmers.




Virginie Detournay
Cocoa R&D and fermentation expert at Puratos

“Cameroon origin is unique and differentiating thanks to its powerful dried fruit and woody notes. It strongly conserves its character and signature even in milk chocolate. Don’t wait to discover our truly unique Cacao-Trace Belcolade Cameroon milk origin 45%, you will not be disappointed in a tablet or in your favorite chocolate desert! Personally, one of my favorites!”



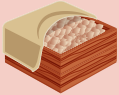




CACAO-TRACE PROGRAM

INITIAL YEAR 2020	MASTER CT FERMENTATION CENTERS 4	TOTAL INVESTMENT IN CENTERS EXTERNAL
	EXPERTS & TRAINERS 3	% TRAINED FARMERS 75%
	DIRECT FULL-TIME JOBS 25	WOMEN FULL-TIME JOBS 0
<hr/>		
CACAO-TRACE AUDIT RESULT	2022 89%	2023 89%



FARMER COMMUNITY

TOTAL FARMERS 459
AVERAGE FARM SIZE HA 1.5
TRACEABILITY TO FARM 100%
WOMEN FARMERS 28

COCOA BEANS

CT VOLUME 2023 (VOLUME/MT) 207MT	FERMENTATION METHOD 	DRYING METHOD 	VARIETY: TRINITARIO 	SENSORY FLAVOUR PROFILE CATEGORIES 
% FERMENTED IN CT CENTERS 100%				
% FERMENTATION BY TRAINED CT FARMERS -				

ECONOMIC IMPACT

MARKET *	CACAO-TRACE
CURRENT FARM GATE PRICE/MT €1,833**	 AVERAGE FARMER QUALITY PREMIUM PAID/MT €457 CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) YES	 TOTAL CHOCOLATE BONUS: 2022 €3,841 2023 €10,805
DISTRIBUTION: COMMUNITY PROJECT	

ENVIRONMENTAL IMPACT

No reforestation project at the moment but the local supply chain is by nature an agroforestry model where the coverage of 20/30% of shading is maintained in the plantation.

However, in all our countries we ensure that plantation does not cause deforestation.

* High price volatility in the last year.

** Price as of October 2023



Congo

LOCAL ORGANIZATION

In 2022, a new partnership was formed together with Envirium Life Sciences to source cocoa from Eastern Congo from independent smallholder farmers on the outskirts of Virunga Park.

Through this partnership 4 post-harvest centers were financed by the Virunga Park while Envirium and Puratos ensure a long-term output and attractive pricing to farmers.

Nestled at the juncture of Uganda and the DRC lies the Virunga Park. Established in 1925, it was the first park in Africa and is biologically the most diverse area on the continent, housing the endangered mountain gorillas. Unfortunately, this region has long grappled with instability fueled by illegal activities and a persistent war economy since the '90s.

Envirium Life Sciences works closely together with the Virunga Alliance to foster peace and prosperity through the responsible economic development of natural resources.

We work locally with around 750 farmers that are organized in two cooperatives:

Les jardins – Mwenda
COAGES - Oïcha

We operate 4 post-harvest centers located in the villages of Mutwanga, Mwenda, Oïcha and Watalinga for a total capacity of 400MT.



Selene Scotton
Group Cocoa Sustainability Manager


"In October 2023 I visited the Cacao-Trace program in Congo for the first time together with two Puratos colleagues. Prior to this trip, I understood that the reality we were operating in was complex, however I did not fully grasp the situation. The visit brought a whole new understanding and increased admiration to the local teams who demonstrated their reliability and enthusiasm for this program. Together with our partners Envirium, Copak and the Virunga Park foundation we have a unique context in which we can bring long term economic growth to the communities where we work"

CACAO-TRACE AUDIT

In 2023 the program in Congo had its first external Cacao-Trace audit. The overall findings were positive, with points of improvement emphasizing strengthening the data collection for farmer demographics and mapping, and finetuning post-harvest standard operating procedures for fermentation and drying of cocoa.



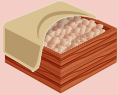
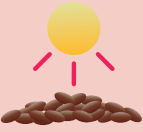


CACAO-TRACE PROGRAM

INITIAL YEAR 2022	MASTER CT FERMENTATION CENTERS 3	TOTAL INVESTMENT IN CENTERS EXTERNAL
	EXPERTS & TRAINERS 2	% TRAINED FARMERS 100%
	DIRECT FULL-TIME JOBS 34	WOMEN FULL-TIME JOBS 1
<hr/>		
CACAO-TRACE CERTIFICATION %	2022 -	2023 97%



FARMER COMMUNITY

TOTAL FARMERS 817
AVERAGE FARM SIZE HA 1.7
TRACEABILITY TO FARM 100%
WOMEN FARMERS 25

COCOA BEANS

CT VOLUME 2023 (VOLUME/MT) 65MT	FERMENTATION METHOD 	DRYING METHOD 	VARIETY: FORASTERO 	SENSORY FLAVOUR PROFILE CATEGORIES 
% FERMENTED IN CT CENTERS 100%				
% FERMENTATION BY TRAINED CT FARMERS -				

ECONOMIC IMPACT

MARKET *	CACAO-TRACE
CURRENT FARM GATE PRICE/MT €2,795	 AVERAGE FARMER QUALITY PREMIUM PAID/MT €87 CHOCOLATE BONUS/KG €0.10
MINIMUM PRICE (APPLIED OR NOT) NO	 TOTAL CHOCOLATE BONUS: 2022 €57,936 2023 €10,415
DISTRIBUTION: COMMUNITY PROJECT (P. 21 - 22)	

ENVIRONMENTAL IMPACT

	2022	2023	
AGRO-FORESTRY TREES PLANTED	PLANTING -	PLANTING -	In Congo, the partnership with the Virunga Park, is by itself a reforestation and biodiversity preservation project. Through the Cacao-Trace program, local cocoa farmers increase their revenues and no longer need to go to the forest to use its resources to survive.

* High price volatility in the last year.

** Price as of October 2023



CHOCOLATE BONUS

The community requested the Chocolate Bonus to be used in priority for the primary school of Teluji in Mutwanga and the renovation of the road leading to the school. The school project included the construction of 2 classrooms, one sanitary block, the connexion of the school the electricity network and the manufacturing of new tables and chairs. In addition to the infrastructure a portion of the budget is allocated to teacher training. In October 2023, some Cacao-Trace sourcing team members visited the construction site and received a warm welcome from students and teachers.





Muhindo Fundi
Head of School, L'Institut Teluji

"As the head teacher at the Teluji primary school, I am committed to supporting the education of Congolese students here in Mutwanga. We have faced a common challenge among schools in this region, which are made from only semi-durable materials like wood and deteriorate quickly. They are not built to last."

This new building, made with solid materials that will continue to support students for many years, is a great gift which will now enable the education of many more children. Through this project, we see the direct benefit of Cacao-Trace and I hope it is the beginning of a long partnership with Puratos to support education and development in Mutwanga."



BRINGING HOPE TO THE



Merdi Baraka
Assistant Coordinator of Agricultural projects in Virunga National park

"For ten years now, cocoa farming has had serious traceability problems due to intense theft, the creation of criminal groups willing to kill to get cocoa from farmers, fraud, uncontrolled purchases... putting cocoa farmers in a state of economic insecurity."

To alleviate this problem, the Virunga Foundation has launched a project to support cocoa farmers by revitalizing farmers' cooperatives, training them in good farming practices and building fermentation centers to provide them with a safe place to sell their product at a slightly higher price. We currently have at least 2,500 farmers with three cooperatives."

This partnership with Puratos is very important because it crowns the efforts we have made together to positively change the narrative of Congolese cocoa and, above all, to ensure that these farmers have a future full of hope. It will pull the whole value chain together, improve farmers' living conditions and guarantee the protection of the Virunga National Park."



Côte d'Ivoire

LOCAL ORGANIZATION

The Cacao-Trace sustainable cocoa sourcing program has been implemented in Côte d'Ivoire since 2015. More than 12,000 cocoa farmers benefit from this program today through a network of 17 cooperatives. The volume of beans is 100% traceable using digital data collection tools.

Puratos has invested in 9 post-harvest centers, where we ferment fresh beans from the surrounding communities and train producers in the fermentation process, a guarantee of superior quality chocolate.

- SCOOWEND Société Cooperative Wend Bark
- SCAGB Société Coopérative Agricole de Gbagbam
- SOCASS Société Coopérative Agricole Sabary de Sago
- SCAK Société Cooperative Agricole de Fatouakro
- SOCAGRI2 Société Coopérative Agricole De Grihiri 2
- CAGNAN Société Agricole de Gnanpoadji
- SCANG Societe Agricole de Grabo
- SCOPED Societe Cooperative Eveil de Gueyo
- SOCOAMO Société Coopérative Agricole de Monogaga Carrefour
- SOCAT Société Agricole Cooperative de Tabou
- SCANFI Société Cooperative Agricole Niamkey Et Famille De L'Indenie
- SCOOPAGED Societé Cooperative Garo est Divo
- CAEHS Coopérative Agricole Ety-Ewoun-Anien du Haut Sassandra
- SCOOPNAG Société Coopérative des Nouveaux Agriculteurs de Gueyo
- SCAMED Société cooperative Agricole pour la maitrise de l'entraide durable
- CAFUGO Societé Cooperative des Freres Unis Gobroko
- ECSP Entreprise Cooperative de Saint Paul



Dr. Arthur TAPI
Regional Cocoa Sourcing Manager for Africa

"The Cacao-Trace program is the best sustainable program that really focuses on the taste of cocoa, the livelihood of farmers and the protection of the planet."

CACAO-TRACE AUDIT

The Cacao-Trace audits in Cote d'Ivoire are the most complex, as they are carried out at the level of 17 cooperatives individually. The main points of improvement in 2023 are focused on the context assessment and roadmap linked to strengthened planning and alignment of the program implementation together with the local Puratos team. Some post-harvest units did not have contracts for their workers, this was flagged and corrected. It was also noted that the grievance procedure needs reinforced communication to be properly understood by the community.



CACAO-TRACE PROGRAM

INITIAL YEAR
2015



MASTER CT
FERMENTATION
CENTERS **9**

EXPERTS &
TRAINERS **105**

DIRECT
FULL-TIME JOBS **84**

TOTAL
INVESTMENT
IN CENTERS **€800,000**

% TRAINED
FARMERS **70%**

WOMEN
FULL-TIME JOBS **2**

CACAO-TRACE
CERTIFICATION % **2022 77.5% 2023 83.5%**

FARMER COMMUNITY

TOTAL FARMERS
12,627

AVERAGE FARM SIZE HA
2.95

TRACEABILITY TO FARM
100%

WOMEN FARMERS
1,104

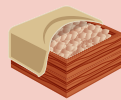
COCOA BEANS

CT VOLUME 2023
(VOLUME/MT)** **11,356MT**

% FERMENTED
IN CT CENTERS **3%**

% FERMENTATION
BY TRAINED CT
FARMERS **97%**

FERMENTATION
METHOD



DRYING
METHOD



VARIETY:
FORASTERO



SENSORY FLAVOUR
PROFILE CATEGORIES



ECONOMIC IMPACT

MARKET *

CURRENT FARM
GATE PRICE/MT **€1,530****

MINIMUM PRICE
(APPLIED OR NOT) **YES**

CACAO-TRACE



AVERAGE FARMER
QUALITY PREMIUM
PAID/MT **€67**

CHOCOLATE
BONUS/KG **€0.10**



TOTAL
CHOCOLATE
BONUS: **2022 €1,574,035 2023 €1,970,124**

DISTRIBUTION: COMMUNITY PROJECT (P. 25-26)

ENVIRONMENTAL IMPACT

	2022	2023
AGRO-FORESTRY PLANTING		PLANTING
TREES PLANTED	103,578	123,370

* High price volatility in the last year.

** 2023/2024 campaign price converted to Euro

*** Volume from 2023 calendar year.



CHOCOLATE BONUS

Thanks to the sales of Cacao-Trace premium chocolate, and in particular to our customers, more than 1,4 million euros of Chocolate Bonus were distributed in the form of various projects.

EDUCATION

School Kits

Nearly 9750 kids benefitted from the distribution of complete school kits (books, pens, uniform, schoolbag...). These kits are particularly appreciated by the farmers for the quality of the material provided and the fact they are delivered on time right before the start of the year.

Schools

Many children currently attend schools in "apatam" buildings (see photo below). Despite the unfailing commitment of the teachers, this type of building makes learning conditions particularly challenging.

In 2023, five schools have been completely built or extended. This work is systematically accompanied by the construction of sanitary blocks. Three canteens and three teachers' houses have also been built. Because teachers often lack a proper accommodation in the villages, it is quite common that they end up leaving the village. Replacing them is a struggle as the problem of the housing remains. This is why some communities want to use the Chocolate-Bonus to fund teachers' accommodation.



One classroom in N'zidrikro primary school before the works



A complete new school in Allakouadiokro



KOUA BOUAFFOU Vincent-de-Paul
Assistant director of N'zidrikro primary school

"The new building will change a lot of things. When there's bad weather, we must stop classes. So, it's very rare that we manage to finish the program. Especially from March to June during the rainy season. Classes are also too small today, with children sitting 3 or 4 at a desk for two. They cannot work comfortably. With an open space, the children are also distracted, especially the younger ones."

We also use the classrooms to give literacy classes for adults who wish to do so at the end of the day. They will also be able to learn in much better conditions."



25 WATER TOWERS POWERED BY SOLAR ENERGY

In the villages where we operate, when there is no water tower, usually people get their water from a mechanical pump, directly from a river or in the worst cases from stagnant water. In all cases, there can be some sanitary issues related to the water not being clean. In the dry season, there may also be no water because the drilling is not deep enough. In order to ensure access to drinkable water all year long, we have started building water pumps in our communities from 2019 onwards.

Thanks to the increase of the Chocolate Bonus every year, we have been able to grow from 1 water tower in 2019 to 25 in 2023!

2019	2020	2021	2022	2023
1	3	3	12	25

Number of water towers powered by solar energy built between 2019 and 2023 with the Chocolate Bonus

SUPPORTING SMALL BUSINESSES: THE SNAIL FARM

In order to help the farmers and their families diversify their income resources, the Chocolate Bonus also supports the launch of small Businesses. At the end of 2023, the funding of a snail farm has been approved for a group of 82 women from SOCAT cooperative in the village of Leleble. The project will start in 2024. The consumption of snails is very popular in Ivory Coast. Its production is interesting as it occupies little land and requires low maintenance which will spare time for the women for their other income generating activities.



Snail farm in the community of Akridou Ladé



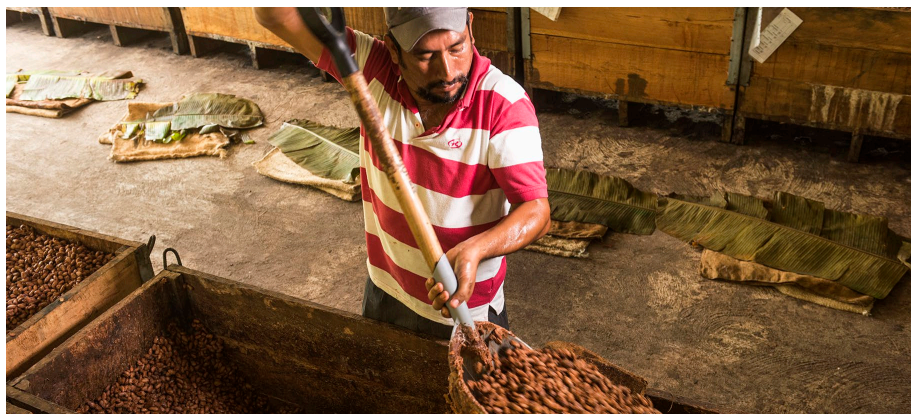
Mexico

LOCAL ORGANIZATION

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

Puratos operates across the whole cocoa-chocolate chain in Mexico from the farmer to the chocolate. The beans we buy to farmers are processed in our grinding line next to our distribution center in Mérida, Mexico and then the high-quality cocoa mass is sent from there to our chocolate plants in Tizayuca, Mexico, Kenosha in USA and Belcolade in Belgium.

In Mexico we work with 1472 farmers organized around 4 post-harvest centers (Comacalco, Pichucalco, and the 2 cooperatives Granos Finos & G8).



CACAO-TRACE AUDIT

The Cacao-Trace audit showed some issues in the traceability of the Chocolate Bonus distribution. A major non-conformity was found with four temporary workers not having signed a contract. Progress must be done also in the safe management of agro-chemical products.

CHOCOLATE BONUS

The Chocolate Bonus 2023 represents 41,521.3€ that was distributed in cash at the beginning of 2024 to 1472 farmers.

THE TIKUL PLANTATION

Motivated by the idea of preserving the Mexican cocoa biodiversity, Puratos invested for the last 10 years in Criollo plantations in Yucatan. In our plantation based in Tikul, we actively study and maintain several sensitive varieties of cocoa threatened with extinction.



CACAO-TRACE PROGRAM

INITIAL YEAR
2018



MASTER CT
FERMENTATION
CENTERS **3**

EXPERTS &
TRAINERS **3**

DIRECT
FULL-TIME JOBS **42**

TOTAL
INVESTMENT
IN CENTERS **€550,000**

% TRAINED
FARMERS **41%**

WOMEN
FULL-TIME JOBS **19**

CACAO-TRACE
CERTIFICATION % **2022 96.6% 2023 93.7%**

FARMER COMMUNITY

TOTAL FARMERS
1,472

AVERAGE FARM SIZE HA
-

TRACEABILITY TO FARM
100%

WOMEN FARMERS
397

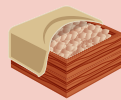
COCOA BEANS

CT VOLUME 2023
(VOLUME/MT) **270MT**

% FERMENTED
IN CT CENTERS **45%**

% FERMENTATION
BY TRAINED CT
FARMERS **55%**

FERMENTATION
METHOD



DRYING
METHOD



VARIETY:
TRINITARIO
80%
CRIOLLO
20%



SENSORY FLAVOUR
PROFILE CATEGORIES



ECONOMIC IMPACT

MARKET *

CURRENT FARM
GATE PRICE/MT **€2,590**

MINIMUM PRICE
(APPLIED OR NOT) **YES**

CACAO-TRACE



AVERAGE FARMER
QUALITY PREMIUM
PAID/MT **€97.15**

CHOCOLATE
BONUS/KG **€0.10**



TOTAL
CHOCOLATE
BONUS: **2022 €43,327 2023 €41,521**

DISTRIBUTION: IN CASH

ENVIRONMENTAL IMPACT

	2022	2023
AGRO-FORESTRY PLANTING		
TREES PLANTED	40,218	45,221

* High price volatility in the last year.



Philippines

LOCAL ORGANIZATION

In 2017, Puratos & Belcolade entered a strategic partnership with Kennemer Foods, an agri-food company based in the Philippines, focused on the sustainable development of cocoa production on Mindanao Island. Kennemer Foods initiated the revival of the supply chain by offering innovative financing models and setting clear outcomes for coconut producers in Davao. Now, cocoa is intercropped with other crops and is rapidly spreading across the island.

Currently, Puratos is operating three fermentation centers in the country, located in Calinan, San Isidro, and Mati. Cacao-Trace is committed to improving the livelihoods of local communities and plans to continue scaling up operations to increase impact.

Despite the challenges of unpredictable seasons and harvests, and thanks to all the advantages of the Cacao-Trace program (trainings, premiums, Chocolate Bonus...), this year we increased the number of farmers in the Cacao-Trace program from 1,526 in 2022 to 1,613 in 2023 and offered more support to them.

CACAO-TRACE AUDIT

The 2023 audit findings were positive overall. Points of improvement include: adapting social responsibility policies to reflect both local and international laws applicable to cacao operations, with revised monitoring systems in place, and, at the farmer level, distribution of authorized agro-chemicals list and implementation of proper waste disposal.





CACAO-TRACE PROGRAM

INITIAL YEAR
2017



MASTER CT
FERMENTATION
CENTERS **3**

EXPERTS &
TRAINERS **3**

DIRECT
FULL-TIME JOBS **18**

TOTAL
INVESTMENT
IN CENTERS **€385,000**

% TRAINED
FARMERS **100%**

WOMEN
FULL-TIME JOBS **7**

CACAO-TRACE
CERTIFICATION % **2022 77.5% 2023 88%**

FARMER COMMUNITY

TOTAL FARMERS
1,613

AVERAGE FARM SIZE HA
1

TRACEABILITY TO FARM
100%

WOMEN FARMERS
675

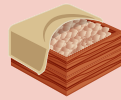
COCOA BEANS

CT VOLUME 2023
(VOLUME/MT) **345MT**

% FERMENTED
IN CT CENTERS **100%**

% FERMENTATION
BY TRAINED CT
FARMERS **-**

FERMENTATION
METHOD



DRYING
METHOD



VARIETY:
**FORASTERO
TRINITARIO**



SENSORY FLAVOUR
PROFILE CATEGORIES



ECONOMIC IMPACT

MARKET *

CURRENT FARM
GATE PRICE/MT **€2,361**

MINIMUM PRICE
(APPLIED OR NOT) **YES**

CACAO-TRACE



AVERAGE FARMER
QUALITY PREMIUM
PAID/MT **€158**

CHOCOLATE
BONUS/KG **€0.10**



TOTAL
CHOCOLATE
BONUS: **2022 €42,943**

2023 €54,068

DISTRIBUTION: COMMUNITY PROJECT (P. 31)

ENVIRONMENTAL IMPACT

	2022	2023
AGRO-FORESTRY TREES PLANTED	PLANTING 37,475	PLANTING -

In 2023, the planting wave for 2022 and monitoring was wrapped up. A decision was made by Pur Executive Committee to close operations in the Philippines and consequently our intervention for agro-forestry has been suspended until further notice.

* High price volatility in the last year.



CHOCOLATE BONUS

Cash Distribution

The Chocolate Bonus distribution took place at three post-harvest centers and consolidators areas in Calinan, San Isidro, and Mati between October and November. On this occasion, the farmers were invited for an entire day. During the event, on top of the distribution of the Chocolate Bonus itself, a Cacao-Trace seminar was organized. Topics such as Cacao-Trace Standards and Good Agricultural Practices (GAP), were among the subjects that were discussed. The seminar aims to continuously educate the farmers on Cacao-Trace standards to ensure compliance of the program.

This year, 42K€ of Chocolate Bonus were distributed to nearly 1 200 farmers who were already part of the program last year.

The majority received it in cash, while 150 received digital transfers for the first time. The digital transfer improves the traceability and transparency of the program. We intend to develop this solution in the coming years. For the farmers living in remote areas, digital transfer is not always a better solution as the farmer will still need to go to town to get his cash and not all money-transfer institutions are accessible in the area.



A farmer receiving his Chocolate Bonus in Calinan, Davao City



20 solar street lights

A part of the Chocolate Bonus was also allocated towards a community project. 20 solar street lights were installed in four villages in Davao Oriental (Don Mariano Marcos, Calapagan, Maragatas and Marayag). Provision of solar street lamps will help create a safer community environment since light will be made available to everyone. The project will also provide the community with energy independence as solar lamps are not affected by power outages and blackouts. It ensures that the street remains illuminated even during adverse conditions or emergencies.



FOCUS ON THE PRODUCTIVITY ENHANCEMENT PROGRAM (PEP)

Every year, all the farmers benefit from a Productivity Enhancement Program. The program covers topics such as Good Agricultural Practices, Soil Fertility Management, Integrated Pest Management, Safe Chemical Handling, and strategies for optimizing Cacao Farm Profitability. The goal is to increase farm productivity and equip our farmers with the knowledge and support they need for efficient farming practices. The training is not purely theoretical with a lot of on-field demonstrations for practical learning.



PEP - On-site farm demonstrations in Philippines, 2023



**Testimony from Luciano Paradillo Jr.,
Cocoa farmer in San Isidro, Davao Del Norte, Philippines
Owner of a farm of 1.5ha**

"Before joining the Cacao-Trace program, I used to harvest approximately 1,200 kg wet beans annually, earning Php 37,200 (672 USD). Cacao-Trace has significantly increased my cacao production. First with the high-yielding varieties that I was given and second with the training. Thanks to the Productivity Enhancement Program conducted every year, I learned better farm management techniques. The effective hands-on training method improved my yield. This year I harvested approximately 1,904 kg of wet beans. Consequently, my annual earnings have increased to Php 60,260 (1089 USD). I am proud to say that the Agricultural Training Institute, an agency under the Filipino Department of Agriculture selected my farm as a learning site.

Being part of the Cacao-Trace program is a privilege because of the training opportunities. As a Cacao-Trace farmer, complying with the program's standards can be challenging, but ultimately rewarding. The program benefits us and promotes sustainable cacao farming."



Papua New Guinea

LOCAL ORGANIZATION

In late 2017, Puratos & Belcolade formed a strategic partnership with Outspan, a member of the OLAM group to enhance the livelihoods of cocoa farmers and their communities, focusing on quality improvement.

The Cacao-Trace program was initiated in the East Sepik region in 2018. Since 2018, our production of beans is certified organic.

Six years into its operation, Cacao-Trace has established strong collaborations with producers and fermenters, offering comprehensive support, from sun dryer equipment to training. Significant resources have been invested to improve farmer data capture and maintain quality levels.



Distribution of Quality Premium in Yangoru

CACAO-TRACE AUDIT

The 2023 audit was carried out with no major nonconformities. The following points have been noted as areas of progress: improve understanding of the grievance mechanism and of the Premium calculation by the farmers, improve communication, explanation and emphasis on keeping receipt records is to be implemented.



CACAO-TRACE PROGRAM

INITIAL YEAR
2018



MASTER CT
FERMENTATION
CENTERS **0**

EXPERTS &
TRAINERS **156**

DIRECT
FULL-TIME JOBS **24**

TOTAL
INVESTMENT
IN CENTERS **€151,000**

% TRAINED
FARMERS **80%**

WOMEN
FULL-TIME JOBS **3**

CACAO-TRACE
CERTIFICATION % **2022 98.9% 2023 97.4%**

FARMER COMMUNITY

TOTAL FARMERS
3,407

AVERAGE FARM SIZE HA
0.64

TRACEABILITY TO FARM
100%

WOMEN FARMERS
650

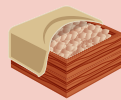
COCOA BEANS

CT VOLUME 2023
(VOLUME/MT) **775MT**

% FERMENTED
IN CT CENTERS **-**

% FERMENTATION
BY TRAINED CT
FARMERS **100%**

FERMENTATION
METHOD



DRYING
METHOD



VARIETY:
TRINITARIO



SENSORY FLAVOUR
PROFILE CATEGORIES



ECONOMIC IMPACT

MARKET *

CURRENT FARM
GATE PRICE/MT **€3,085**

MINIMUM PRICE
(APPLIED OR NOT) **NO**

CACAO-TRACE



AVERAGE FARMER
QUALITY PREMIUM
PAID/MT **€91**

CHOCOLATE
BONUS/KG **€0.10**



TOTAL
CHOCOLATE
BONUS: **2022 €123,250 2023 €182,881**

DISTRIBUTION: COMMUNITY PROJECT (P. 35)

ENVIRONMENTAL IMPACT

	2022	2023
AGRO-FORESTRY PLANTING	PLANTING	PLANTING
TREES PLANTED	10,644	-

We reached almost 100% of the planting capacity & potential of the farms. Thus in 2023 there was a decision to close the agro-forestry operation in Papua New Guinea and focus on Origins which require additional investment.

* High price volatility in the last year.



CHOCOLATE BONUS

Thanks to a Chocolate Bonus of 192k€, we were able to build 6 classrooms and provide 20 water tanks to the farmers community.

Education

In the district of Wewak six classrooms were built in the villages of Yangoru, Wosera Gawi and Angoram.

The Chocolate Bonus educational projects aim to support programs that help children of Cacao-Trace farmers have a better access to education. The additional classrooms built will help create a more conducive learning environment for the children. Each classroom can accommodate 45 students. Aside from classrooms, a sanitary block was also built inside the school premises. The facility will help maintain sanitation and create a safe and healthy environment for the students.



Provision of 20 water tanks

Most of the population in Papua New Guinea does not have access to clean water, which causes waterborne health problems such as diarrhea and skin diseases. Thanks to the Chocolate Bonus, we are providing 20 water tanks or water catchments to Saussia district in Yangoru. The water collected from the tanks will be used by the community for their household needs. The project aims to help the community of Saussia improve their health and wellbeing by providing them access to clean water. Over the previous years, 46 tanks have already been built thanks to the Chocolate Bonus.



FOCUS ON FARMERS TRAINING IN PAPUA NEW GUINEA

In Papua New Guinea, cocoa beans are fermented by licensed individual fermenters within the farmer community. They are trained by Puratos teams to meet our quality criteria.

As a part of the Cacao-Trace program, farmers receive trainings on Good Agricultural Practices (GAP) and Cacao-Trace standard focusing on fermentation protocol. This year, around 2,900 farmers in Yangoru, Angoram and Wosera-Gawi attended them. The objective is to help them increase the farm productivity and quality of cocoa beans but also address issues related to quality such as smoky beans, inclusion of foreign matter, moldy beans and high moisture.

In 2023, we concentrated our effort into improving the fermentation process. Issues such as foreign bodies, high moisture, moldy or smoky beans have been tackled. Some of these problems came from farmers' habits, like burning grass or cooking near the fermentation and drying areas. We also have established a fermentation grading system. This system monitors and rewards farmers who adhere to the Cacao-Trace fermentation standards and deliver high-quality cocoa beans.



Fermentary evaluation by James Susanga,
Assistant program manager at Outspan



Jessa Albacea
Cacao sourcing Manager for Philippines and PNG

"This monthly grading system is not intended to penalize our fermentary partners. Instead, it aims to reward them and provide feedback through a quality feedback system. For example, we provide potential root causes and advice to fermentary owners to prevent issues like smoky or poorly fermented beans."





Uganda

LOCAL ORGANIZATION

Launched in 2018, in Uganda, the Cacao-Trace program has been developing and improving ever since in partnership with Olam. In 2023, we have gone a step further by replacing our previous post-harvest center with a brand new one with a doubled capacity from 500MT to 1000MT.

Building on the seven years of experience of our local teams, who mastered the fermentation of the beans in this particular environment, we have brought several improvements to our process in order to increase further the quality of our beans and enhance their aroma.

Our Belcolade Uganda 80%, offers a robust cocoa flavor delicately enriched by delightful fresh citrusy & dried fruit notes. It is also an organic chocolate with the highest cocoa percentage in our range.



In Uganda, we work directly with 1200 farmers across 10 communities nearby situated which allows us to process all our beans in only one post-harvest center.

CACAO-TRACE AUDIT

The 2023 Cacao-Trace audit findings demonstrated a high level of compliance. As continuous points of improvement the following was noted: explain better the difference between the Quality Premium and the Chocolate Bonus to the farmers, emphasize more on cultivation record keeping and monitor farmers compliance.



CACAO-TRACE PROGRAM

INITIAL YEAR
2018



MASTER CT
FERMENTATION
CENTERS **1**

EXPERTS &
TRAINERS **10**

DIRECT
FULL-TIME JOBS **10**

TOTAL
INVESTMENT
IN CENTERS **€167,420**

% TRAINED
FARMERS **86%**

WOMEN
FULL-TIME JOBS **1**

CACAO-TRACE
CERTIFICATION % **2022 98%** **2023 98%**

FARMER COMMUNITY

TOTAL FARMERS
1,201

AVERAGE FARM SIZE HA
1.12

TRACEABILITY TO FARM
100%

WOMEN FARMERS
298

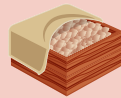
COCOA BEANS

CT VOLUME 2023
(VOLUME/MT) **610MT**

% FERMENTED
IN CT CENTERS **100%**

% FERMENTATION
BY TRAINED CT
FARMERS **-**

FERMENTATION
METHOD



DRYING
METHOD



VARIETY:
**TRINITARIO
FORASTERO**



SENSORY FLAVOUR
PROFILE CATEGORIES



ECONOMIC IMPACT

MARKET *

CURRENT FARM
GATE PRICE/MT **€4,063 ****

MINIMUM PRICE
(APPLIED OR NOT) **NO**

CACAO-TRACE



AVERAGE FARMER
QUALITY PREMIUM
PAID/MT **€73**

CHOCOLATE
BONUS/KG **€0.10**



TOTAL
CHOCOLATE
BONUS: **2022 €52,293** **2023 €65,166**

DISTRIBUTION: COMMUNITY PROJECT (P. 39 - 40)

ENVIRONMENTAL IMPACT

	2022	2023
AGRO-FORESTRY PLANTING		
TREES PLANTED	-	93,404

* High price volatility in the last year.

** Price as of December 2023



CHOCOLATE BONUS

After using the first Chocolate Bonus for school kits and furnitures in 2022, we have been able to go further in 2023 thanks to a significant increase from 16k€ to 52k€. In 2023, we concentrated our efforts on the Njanja Primary School in Mirambi Parish that is attended by a lot of cocoa producers' children.

In this school we built 3 new classrooms, renovated 4 classrooms, built 1 mechanical water pump and 1 sanitary block.

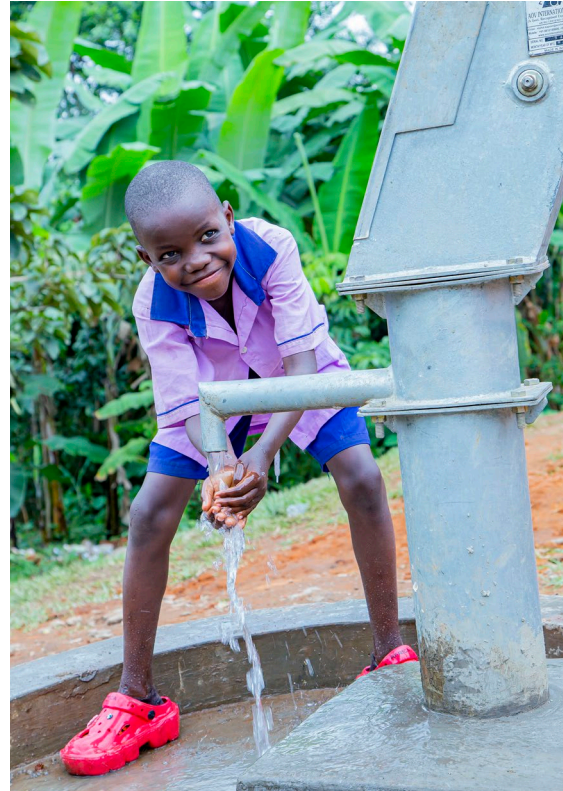




Muhindo Jumah
Head Teacher at
Njanja Primary
School

"It has been a long time since we had been

requesting a renovation and extension of the school to different stakeholders and very much appreciate that the Chocolate Bonus has finally enabled it. Classrooms used to be overcrowded and some children had to sit on stones due to the lack of benches. We are sure that this improvement of the learning conditions will have a direct impact on the children's results. For now, we already see a significant increase in the number of children who enrolled to school this year."



BENEFITS OF THE TRAININGS AND THE QUALITY PREMIUM



Patrick Byamaka
Cocoa farmer

"Before I worked for Cacao-Trace, I got occasional trainings but I could spend years without having one. With Cacao-Trace, the training is twice a year, in March and August, each before the harvesting season. It takes a full day, and I learn so much every time.

The program taught how to better know and manage my farm, productivity and sales. I did not even know how many cocoa and shade trees I had! I received a sales record, that I learnt how to use and every time I sell my cocoa, I get a receipt which was almost never the case before.

When I joined the program in 2018, my productivity was around 500kilos and last year I produced 980 kilos.

I have 7 children, 4 in public primary 3 in private secondary. The older ones go to the private school because it's the closest. I can afford the fees thanks to the Quality Premium that we receive at the beginning of the school year."



Vietnam

LOCAL ORGANIZATION

Since 2013, Puratos Grand-Place Vietnam has led the Cacao-Trace program. As the longest-running Cacao-Trace program, Vietnam has focused on increasing partnerships and innovating with new farming processes, such as closed-loop models and regenerative agroforestry cocoa production. In partnership with GIZ and PUR Project, we offered training on agroforestry and regenerative practices.

Vietnam has also been an innovation leader with new fermentation and chocolate production practices that yield high-quality, uniquely flavored final products. In 2021, we successfully launched an innovative product, "60Days," which is produced in 60 days from the harvesting of the beans to the production of the chocolate.

We operate two primary post-harvest centers in Dak Lak and Ben Tre. Here, the beans undergo fermentation and drying. Subsequently, we transport the dried beans to our factory in Ben Tre, located in the Mekong Delta. At this site, we convert the beans into cocoa liquor. This liquor is then utilized in our chocolate factory in Binh Duong, near Ho Chi Minh City, for chocolate processing.



Nguyen Cong Bang
Warehouse & Quality Supervisor

"I started working for Puratos Grand-Place Vietnam as an intern in 2011. My parents are also farmers so I was born and raised in the countryside. This makes me very aware of the farmers' challenges and motivates me even more to help them increase their production and gradually move towards more sustainable practices.

I feel proud to work for a company that cares about cocoa farmers.

Many farmers are now convinced by sustainable farming practices thanks to the work done daily by our technical and purchasing teams on the ground within the Cacao-Trace program. The minimum price commitment and the Chocolate Bonus are also very much appreciated.

Because of all of this, I notice that more and more farmers want to plant cocoa trees.

Thank you Puratos Grand-Place, the Cocoa team and the Vietnamese cocoa farmers for making me part of this journey."

CACAO-TRACE AUDIT

The 2023 Cacao-Trace audit findings demonstrated an elevated level of compliance, the following points were noted as areas of improvement: make sure that all farmers own a Certificate of Land Use Rights for the production area and provide more detailed information about the use of chemical inputs and fertilizer in the farmer handbooks, in conformity with our internal policies.



CACAO-TRACE PROGRAM

INITIAL YEAR
2013



MASTER CT
FERMENTATION
CENTERS **2**

EXPERTS &
TRAINERS **11**

DIRECT
FULL-TIME JOBS **21**

TOTAL
INVESTMENT
IN CENTERS **€787,000**

% TRAINED
FARMERS **46%**

WOMEN
FULL-TIME JOBS **10**

CACAO-TRACE
CERTIFICATION % **2022 94%** **2023 96.8%**

FARMER COMMUNITY

TOTAL FARMERS
1,651

AVERAGE FARM SIZE HA
1.41

TRACEABILITY TO FARM
100%

WOMEN FARMERS
365

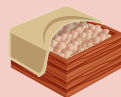
COCOA BEANS

CT VOLUME 2023
(VOLUME/MT) **702MT**

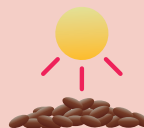
% FERMENTED
IN CT CENTERS **31%**

% FERMENTATION
BY TRAINED CT
FARMERS **69%**

FERMENTATION
METHOD



DRYING
METHOD



VARIETY:
TRINITARIO



SENSORY FLAVOUR
PROFILE CATEGORIES



ECONOMIC IMPACT

MARKET *

CURRENT FARM
GATE PRICE/MT **€2,698**

MINIMUM PRICE
(APPLIED OR NOT) **YES**

CACAO-TRACE



AVERAGE FARMER
QUALITY PREMIUM
PAID/MT **314**

CHOCOLATE
BONUS/KG **€0.10**



TOTAL
CHOCOLATE
BONUS: **2022 €105,759** **2023 €108,968**

DISTRIBUTION: COMMUNITY PROJECT (P.43 - 44)

ENVIRONMENTAL IMPACT

	2022	2023
AGRO-FORESTRY	PLANTING	PLANTING
TREES PLANTED	23,812	22,903

* High price volatility in the last year.



CHOCOLATE BONUS

Cash Distribution

In June 2023, around 105k€ of Chocolate Bonus were distributed in the form of cash to 280 farmers and small community projects with the uncollected funds from previous years.

On this occasion, an exceptional event was organized with the farmers in the provinces of Daklak, Binh Phuoc, Dong Nai and Ben Tre.

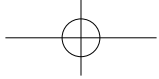


Watch a short video of the event by scanning this QR



Testimony by a cocoa farmer from Chau Thanh, Vietnam

"I am honored to be part of this year's program. In the early days of my cocoa cultivation, I encountered fluctuating prices and challenges in finding buyers, prompting necessary adjustments. However, this year has brought about a notable change — prices have stabilized, and I have had the opportunity to directly engage with the company for information exchange on pricing."



Education project

Underprivileged students in remote cocoa farming communities often lack access to educational facilities, textbooks, and learning materials. Financial difficulties, such as the cost of textbooks and tuition, further jeopardize their education, potentially leading to a high dropout rate.

Uncollected Chocolate Bonus from previous years were all granted to two schools. The money was used to build a new classroom in Thanh Binh primary school, purchase new books for the library and help fund scholarships for 31 students in Lam Dong.



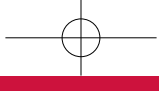
Vice chairman of Thanh Binh School

"Since the company's arrival and the addition of an extra classroom, the students now enjoy improved learning conditions. This has brought greater peace of mind to parents as they focus on economic activities to support their families. The school and the local community genuinely acknowledge and appreciate this thoughtful gesture."



OPENING NEW HORIZONS: THE BAKERY SCHOOL FOUNDATION

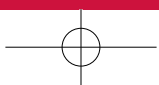
In 2023, the Bakery School foundation from Puratos, opened a new school in Vietnam. The Bakery school foundation runs 12 schools in different countries that aim at offering a professional training in Bakery, Patisserie and Chocolate to underprivileged students. Among the 26 students selected for the first batch of students, 5 were children of Cacao-Trace farmers.



03



Addressing the cocoa supply chain key Challenges



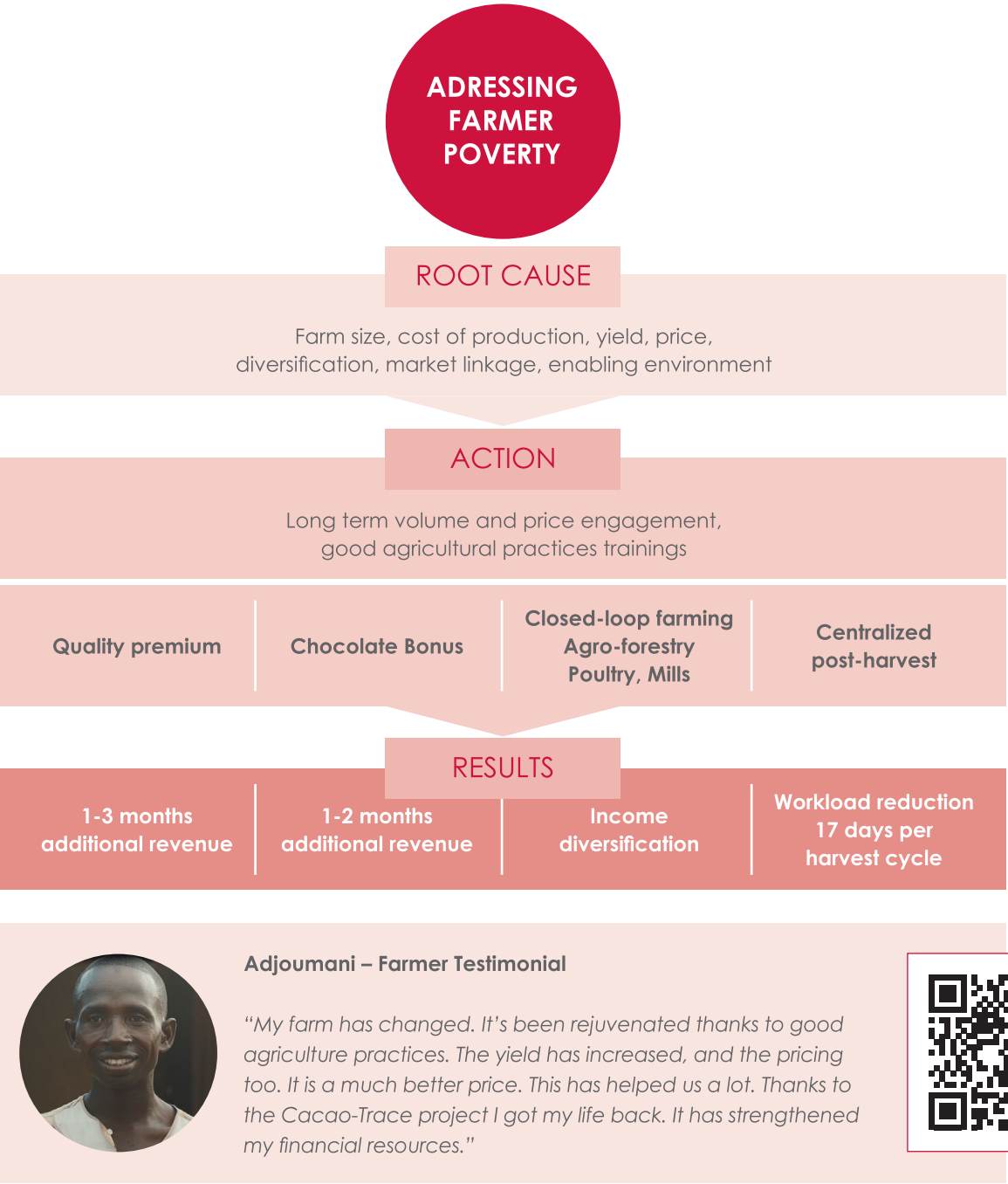


Strategy to address farmers poverty

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

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

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



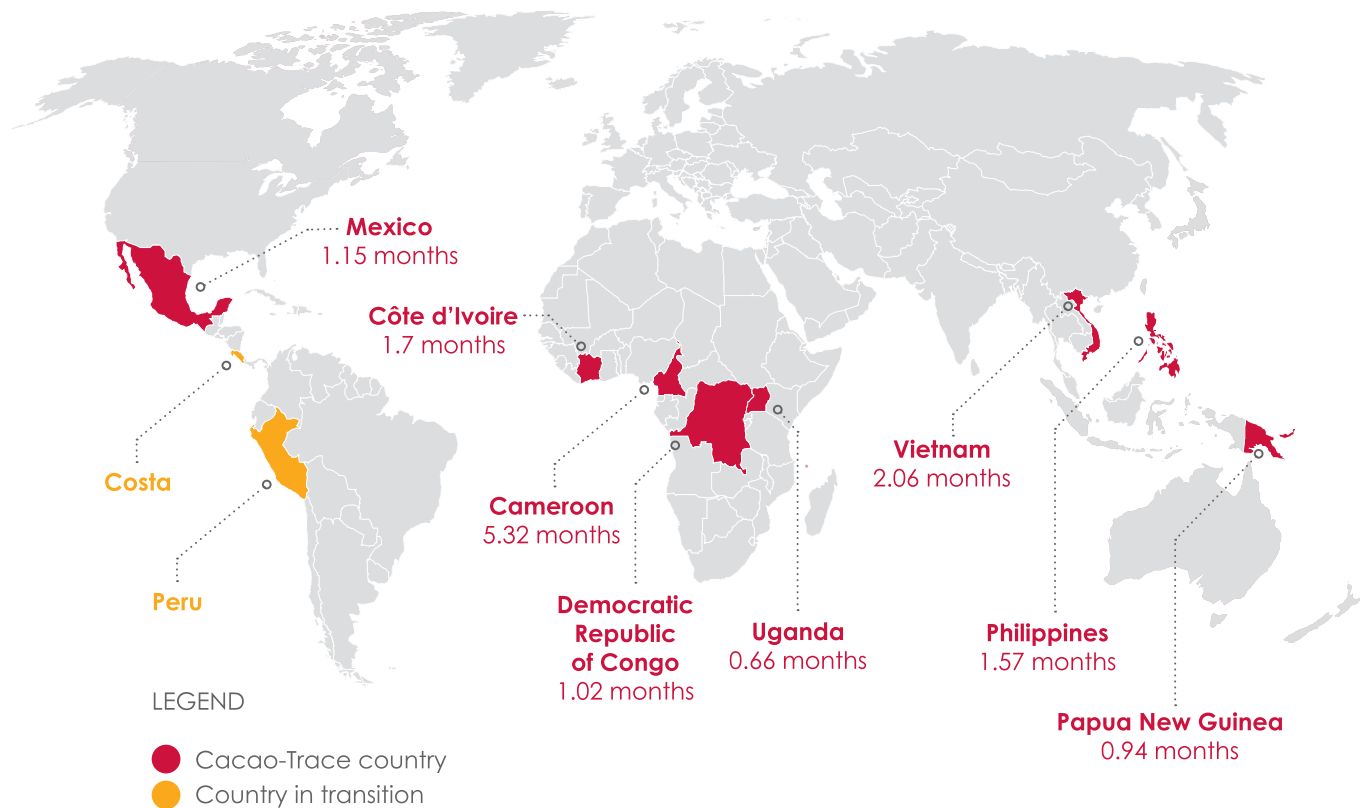


CACAO-TRACE IMPACT ON FARMERS' INCOME

We are engaged towards our Beyond Chocolate target to reach the living income by 2030. A specific task force is in charge of this topic and reports bi-annually to our internal program governance structure headed by Cedric Van Belle, Chairman of the board.

The first step is determining a living income for a family per origin country, independent of whether they are cocoa producers. Global Living wage.org used the Anker Method to evaluate the living income necessary to have basic needs met, this includes nutritious food, education, housing, clothing, medical, transport and emergency savings. Surveys are conducted at a local level with focus groups and the benchmark and study is publicly released for reference.

Today, although we cannot say that we are already reaching a living income with Cacao-Trace globally, we are able to provide an additional 1 to 5-month equivalent earnings based on the current standard cocoa income, supported through the Quality Premiums and Chocolate Bonus. We are proud of this achievement which is going far beyond the industry practices, and we are determined to improve our income impact year after year. Given the farmgate prices have drastically increased in the past 12 months, the impact of the Quality Premium and the Chocolate Bonus appears inferior to last year.



Impact per country

(Chocolate Bonus + Quality Premium) multiplied by total yield and divided by farmgate multiplied by total yield = Additional months income* from cocoa only

*Including minimum price in Mexico, Cameroon and Vietnam

Strategy to address child labor

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

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

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

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

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



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

It is important to mention that the Next Generation Cacao Foundation Is strongly associated to the concrete and long term actions taken on the ground to tackle access to education and child



2023 HIGHLIGHTS ON DIGITAL DATA COLLECTION AND CHILD LABOR MONITORING AND REMEDIATION SYSTEM

Unacceptable forms of child labor are prohibited in the Cacao-Trace sustainability standard. The reality is that no one can guarantee 0% child labor within their supply chain., nor within a sustainable program which is a confronting reality. We support transparency, and in this regard we are disclosing the difficult truth which is unfortunately that there is child labor. Today we are doing our best to address this with robust monitoring and longterm investment and vision in the communities where we work. We are one of the few to bring this level of transparency. Despite the continuous efforts we are making on the ground, the contexts where we work remain challenging with complexities around access to education and child labor.

We are on a path toward increased transparency through digitalization. Thanks to this intensive work, we are able to dig further in the realities of the communities where we work and further detect and address the risks of child labor. We are constantly learning from the survey's findings and exploring ways to improve our approach. In some countries we are more advanced for example Cote d'Ivoire and Uganda and in other we have embarked on our digital journey in the past 12 months.

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

We have first piloted this intensive work in Uganda back in 2019 and achieved our first 3-year cycle in 2021. This same approach is now being deployed in Côte d'Ivoire and Papua New Guinea. Some remediation action and household sensitization are already rolled out in areas where we observe a risk of children under family supervision carrying out tasks on the farm which are deemed as hazardous and not safe for children. Of course, remediation might include other actions than sensitization, such as the provision of school kits or the establishment of a birth certificate, if the need is identified. We are working closely with the Next Generation Cacao Foundation on those specific actions to allocate our funds to target the needs.

Child labor monitoring and remediation systems have been focused on the countries where we have the highest risk. These countries include, Cote d'Ivoire, Papua New Guinea and Uganda where we have covered an average of 70% of the households. If we consider the full Cacao-Trace households, 50% have been covered with CLMRS.

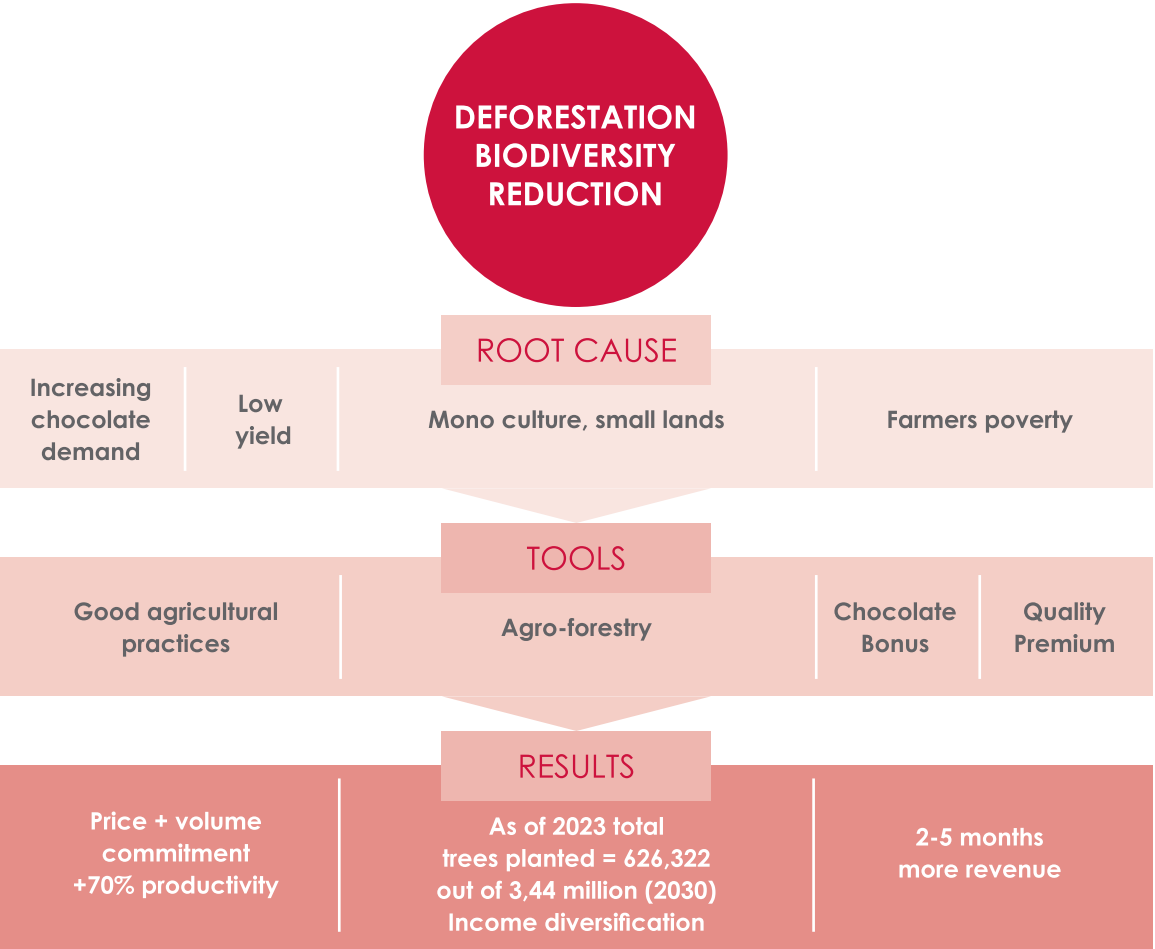
From 11,500 households surveyed including 27,245 children, 2,700 children were flagged for child labor. These cases have been flagged as per 4 categories, hazardous tasks, school attendance compromised, excessive hours, dropped out of school to work. It concerns children of various ages (between 6-17) and gender, the remediation implemented is targeted for the specific cases. Some solutions are more straight forward, ensuring children below the age of 14 have access to an education others are more complex, for children ages 15-17 who have been out of school for a number of years. In 2023 we have remediated 314 cases and 2386 are under remediation implementation.

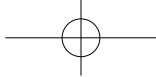
At this stage of the surveys, we have not identified in Cacao-Trace supply chain any case of human trafficking, forced labor, sexual exploitation, nor other types of abuse. If a child would be flagged to be in immediate danger (e.g., unconditional worst forms of child labor or other types of abuse),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

Strategy to address deforestation

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

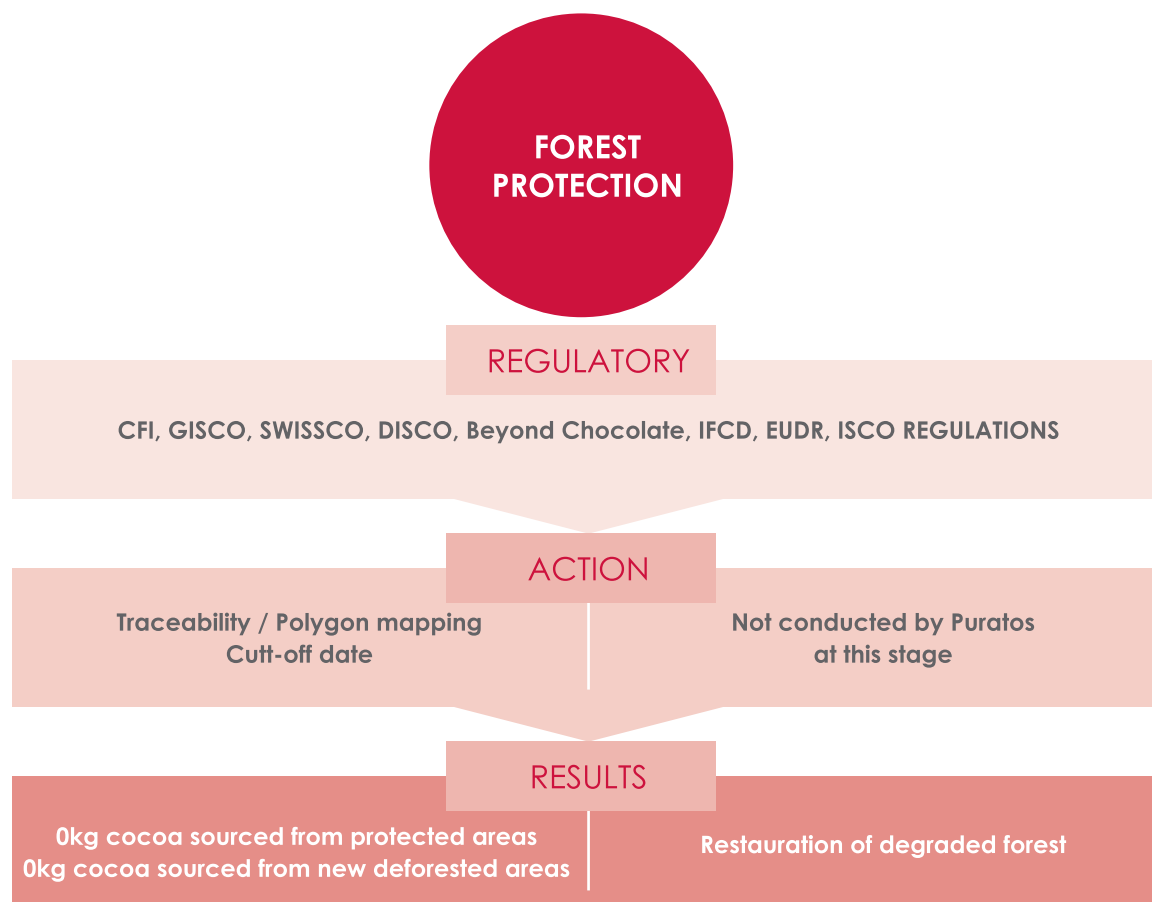
We identified again several root causes responsible for the existing environmental challenge of cocoa supply chain. With Cacao-Trace we are confident that we address those structural issues through our work on yield and farmer income. Still, we are investing in a consequent agro-forestry project toward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





Puratos fully supports all the regulatory initiatives to protect endangered forests. Concretely Cacao-Trace has established 1st January 2014 as a cutoff date and no cocoa planted on deforested land after this date can be accepted in the program. Technology will play an important role in this strategy. We are today focusing on improving our control through Polygon mapping of all the farms in the Cacao-Trace supply chain. Cacao-Trace will be fully EUDR compliant by December 31st 2024. We are ramping up digital mapping and geo tagging of all farms to ensure full transparency of our sourcing locations.

As we speak, Puratos is not yet engaged in reforestation of degraded protected areas.





Cultivating a Sustainable Future: Puratos' Agroforestry Initiative

Since 2019, Cacao-Trace/Puratos has been at the forefront of an inspiring collaboration with PUR Projet, a renowned French social business specializing in agroforestry. This strategic partnership stands as a testament to Puratos' unwavering commitment to environmental stewardship and community empowerment. In alignment with its ambitious goal to achieve Carbon Neutrality by 2025, Puratos strategically employs agroforestry to sequester carbon within the supply chains of Cacao-Trace farmers.

Going beyond the commonplace practice of carbon compensation, Puratos makes a conscious choice to plant trees as an efficient means of carbon capture. This forward-thinking approach integrates diverse tree species into the agroforestry model, not only benefiting Puratos in its carbon neutrality journey but also fostering a mutually enriching relationship with farmers. The inclusion of shade trees creates an environment conducive to cacao cultivation, effectively reducing disease outbreaks and enhancing biodiversity, resulting in amplified pollination and production.

The roots of this transformative journey trace back to 2017 when Puratos initiated a feasibility study for carbon offsetting within its supply chain. This led to the inception of agroforestry investments in Vietnam, the Philippines, and Mexico, with the inaugural plantings taking place in 2019. Subsequently, year after year, the tree planting initiative expanded its reach, encompassing additional countries such as Papua New Guinea, Cote d'Ivoire, Mexico, and Uganda. By 2025, Puratos aims to have planted over 1.3 million trees, marking a significant stride towards a greener future.

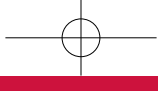
Agroforestry, ingrained in Puratos' Cacao-Trace supply chains across multiple nations, serves as a sustainable remedy to reduce dependency on a single commodity. The inclusion of shade trees not only mitigates harvest risks but also contributes to the diversification of crops, mitigating market price volatility.

In 2021, Puratos Vietnam amplified the initiative by partnering with GIZ, intensifying the program's capacity through a regenerative lens. This holistic approach encompasses enhanced regenerative cocoa technical training, strategic investments in demonstration farm plots, and the support of a study on scaling agroforestry.

Crucially, farmers emerge as key partners in this initiative, reaping economic benefits by selling additional fruits. Simultaneously, the trees play a dual role by fertilizing the soil, reducing farmers' expenses on fertilizers. The project not only aligns seamlessly with Puratos' commitment to the planet but also synergistically strengthens the Cacao-Trace program, establishing a symbiotic relationship that resonates with shared values.

Cacao-Trace's Agroforestry Initiative embodies a dedicated pledge to nurture resilient communities, champion environmental well-being, and paves the way for a harmonious coexistence of agriculture and nature in the years to come.





04



Key highlights



GROWING THE CACAO-TRACE MANAGEMENT TEAMS

The exceptional taste of Cacao-Trace chocolate and its social impact keep convincing more and more customers to join us on this journey. In order to keep the pace of our development, we have recruited new members and created new roles both at HQ level and in the regions. Welcome to the team! With this reinforced management team we are making sure that Cacao-Trace remains a truly “hands-on” program.

APAC

Justin Jacquat – APAC Regional Manager

Jessa Albacea – PNG and Philippines sourcing manager (new role)

West-Africa

Arthur Tapi – West-Africa Regional Manager

Arsene Kouadio – Sustainability Manager (new role)

Jean Koffi Kouame – Operations Manager (new role)

LATAM

Mario Lopez – Sustainability Manager (new role)

Patricia Herredia – Operations Manager (new role)

Global

Selene Scotton – Group Cocoa Sustainability Manager (new role)

Sarah Mugnier – Next Generation Cacao Foundation coordinator (new role)



Justin Jacquat – Selene Scotton – Jessa Albacea – Pierre Bataille (LATAM regional manager) – Arthur Tapi

CUSTOMER TRIPS

In 2023, 179 of our clients were invited to come along with members of the Cacao-Trace team to visit some of our production sites in Vietnam, Côte d'Ivoire and Mexico. Within a couple of days, they get the opportunity to meet cocoa producers, visit the plantations and post-harvest centers. This unique experience gives them rare and impactful insights on the challenges of cocoa farming, the quality of the work that is being done to deliver the best beans and the concrete effects of the Chocolate Bonus on the life of farmers.



DONATION OF 90 000 SEEDLING OF COCOA IN VIETNAM

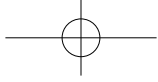
Vietnamese cocoa is favored by consumers and major global brands for its distinct flavor profile, with hints of tropical fruit, bitterness, and mild acidity.

Despite the increasing global demand for chocolate, Vietnam's cocoa production has failed to meet market demand. In Vietnam, in particular, the cocoa cultivation area has significantly decreased from 25,700 hectares in 2012 to about 5,000 hectares in 2019.

This situation persists due to various reasons, including notably salinity in the soil, competition from other crops, changing weather conditions and pest infestations. These factors have led to farmers easily switching to other crops in a short period.

Puratos Grand-Place Vietnam, as the leading cocoa and chocolate company in Vietnam, has distributed 90,000 cocoa seedlings to farmers in Dak Lak, Dak Nong, Binh Phuoc, Lam Dong, and Ben Tre in June and July, to expand cocoa cultivation areas in Vietnam and support income diversification.





CONGO VISIT

Until now, our operations were conducted entirely remotely. However, the recent positive evolution of security conditions paved the way for the Cacao-Trace team to venture into Congo. On October 24th, crossing the Kasindi border point from Uganda, we were accompanied by our esteemed business partner Dimitri Moreels, founder of Envirium.

Amidst visits to our supply chain, the school funded by the Chocolate Bonus, and various park projects, we marveled at the magnificent landscapes, wildlife, and the rich history of this region. As a team, we came to understand the profound significance of the collaboration between Virunga Park and Puratos – a partnership that is both unique and fundamentally important. We look forward to the next steps in growing this partnership and collaboration on the ground.



CAMEROON BECOMES “FINE COCOA”

This year Cameroon joined the “fine cocoa” producers list of the International Cocoa Organization (ICCO), in part thanks to the network of post-harvest centers settled in the country by Puratos and Chocolatiers engagés (the “Committed Chocolatiers”), an initiative from the French Confederation of Chocolatiers. A “fine cocoa” is comparable to a “grand cru” in wine. What makes a “fine cocoa” is an exceptional taste due to a meticulous post-harvest treatment. In Cameroon, the cocoa receiving such a post-harvest treatment represents a very marginal percentage of the country's production. All Cacao-Trace chocolate from Cameroon benefit from it.

Within its product range, Belcolade has not waited for this recognition to offer two Origins Chocolates: the Sanaga and Milk Origin 45%.



BELCOLADE: DELIVERING THE BEST CHOCOLATE TWO NEW ORIGINS !



Discover the Majestic Tropical Bouquet: Noir Philippines 68% Cacao-Trace Dark Chocolate

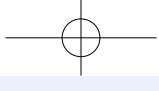
Our Sourcing from the southern Island of Mindanao. Reviving an ancient tale of cocoa production and consumption, the Philippines is the first country to have cultivated cocoa outside of Latin America in the 17th century. In Mindanao, there is still a significant consumption of Tablea, a pure cocoa paste used, as in Mexico, for the preparation of beverages." Experience the essence of the Philippines with this unique and distinctive chocolate. Indulge in a delightful blend of tropical fruit flavors like pineapple, banana, and passion fruit, complemented by red and dried fruits. Elevate your taste buds with fresh grassy and floral notes, and a touch of pepper.



Indulge in the Uniqueness of a white single-origin: Blanc Papua New Guinea 36% Cacao-Trace White Chocolate

Made with local vanilla cultivated in Papua New Guinea, this unique single-origin white chocolate embodies exceptional qualities from Papua New Guinea's soil. Indulge in the exceptional single-origin white chocolate crafted with Papua New Guinea vanilla, revealing rich notes of coumarin, peach, and balsamic. Its intricate flavor blends harmoniously with intense cooked milk and buttery accents. Soft undertones of almond and anise complete this truly unique and delightful taste experience. This chocolate is based on Cacao-Trace Papua New Guinea cocoa butter for a unique white chocolate experience!





PLANT-BASED – HEALTH & WELL-BEING

Belcolade Selection W. Plant-Based Cacao-Trace

The Plant-Based White Couverture is a first of its kind for the global professional chocolate industry as it boasts an outstanding taste profile and a rich, creamy texture. It also has the perfect “snap” that consumers love, along with a clean, white chocolate color. Co-created with professional chocolatiers, pâtissiers, alongside Belcolade's own experts, this sustainable and versatile plant-based couverture guarantees great tasting results for regular and vegan pâtisserie and chocolate applications.





QUALITY FIRST!

Quality is the back bone of our Cacao-Trace program and is a real focus. We ensure a regular presence of our teams on the ground for a strong follow-up. This includes R&D teams to support on quality, product development and process improvement.

This year our R&D teams visited Philippines, Cameroon, Uganda and Congo.

Zoom on Philippines

In the Philippines, we work with unique clones of cocoa, leading to fine flavor products. The beans are so unique that delicate aromas such as fruity & floral are strongly present at the start of fermentation & when cutting the dry beans. This unique aromatic diversity led us to the creation of the Noir Philippines 68%, our latest addition to the Origins range of Belcolade.



Zoom on Cameroon

In Cameroon, the Cacao-Trace program is young and was started-up from scratch. Through strong support & follow-up, very young teams with initial no knowledge on cacao have reached high quality standards. Despite challenging situations linked to remoteness, the post-harvest center receives support & training on fermentation & drying best practices leading to high and consistent quality. Strong bonds with the communities are made.





GIANDUJA CAMEROON



Gianduja is the star of the pastry and confectionery!

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

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

CARAT CACAO-TRACE

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

EU – Launch of Carat Nuxel Hazelnut Plant-Based in Spain and Moldova, for a more sustainable but equally indulgent hazelnut filling

APMEA – Strengthened roll-out of the Supercrem Hazelnut range in China which includes 3 varieties of hazelnut fillings, with crispy and nutlet inclusions as well! New Compound Cacao-Trace innovations in Vietnam and the launch of Carat Nuxel Hazelnut in the Middle-East.

LATAM – Launch of Supercrem Nut

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



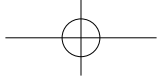


LAUNCHING THE WORLD'S FIRST CARBON-NEUTRAL BELGIAN CHOCOLATE FACTORY

Belcolade, the Real Belgian Chocolate brand of Puratos, is confirming our role as a major player in sustainable chocolate with the **opening of our new facility in Belgium** that highlights our focus on sustainability and delivering high-quality chocolate to professional customers.

Our new factory represents a significant milestone in our journey toward sustainability. This state-of-the-art facility now operates on 100% renewable electricity, sources 90% of its water from collected rainwater, and significantly reduces energy consumption. These efforts have culminated in us proudly claiming the title of being the first carbon-neutral Belgian Chocolate Factory.

The **Cacao-Trace Sustainable Cocoa program** is another example of Belcolade's commitment to a **more sustainable future throughout the entire cocoa chain**. *"The Cacao-Trace program not only produces the best quality cocoa, but also supports farmers worldwide by providing better prices and an extra Chocolate Bonus. Additionally, we improve the environment and living conditions of our farmers' communities by building schools, health centers, and offering drinkable water equipment."* explains Pierre Tossut. Alongside these impactful sustainable initiatives, Belcolade's new 100% recycle-ready packaging reflects the company's determination to reduce its environmental footprint and make a positive impact on the planet. *"Our planet is worth protecting, and we wish to play our part by applying these sustainable practices of which we are very proud,"* concludes Pierre Tossut.



EXPERIENCE OUR BELCOLADE WEBSITE NOW!

The Belcolade website is no longer limited to Belgium and is now available in 4 new countries: France, the United Kingdom, Germany, and Romania. It won't stop there! In the coming months and years, the expansion will continue, reaching even more corners of the world.

The Belcolade website is a valuable resource, providing important information about our products, commitments, and the services we offer to customers worldwide.

Stay tuned for the next chapter of our Belcolade adventure. Join us in building the Belcolade community!

Connect with us and invite your peers, colleagues, customers, distributors, and everyone involved in the chocolate industry to follow us on various platforms.



Join our Network on LinkedIn



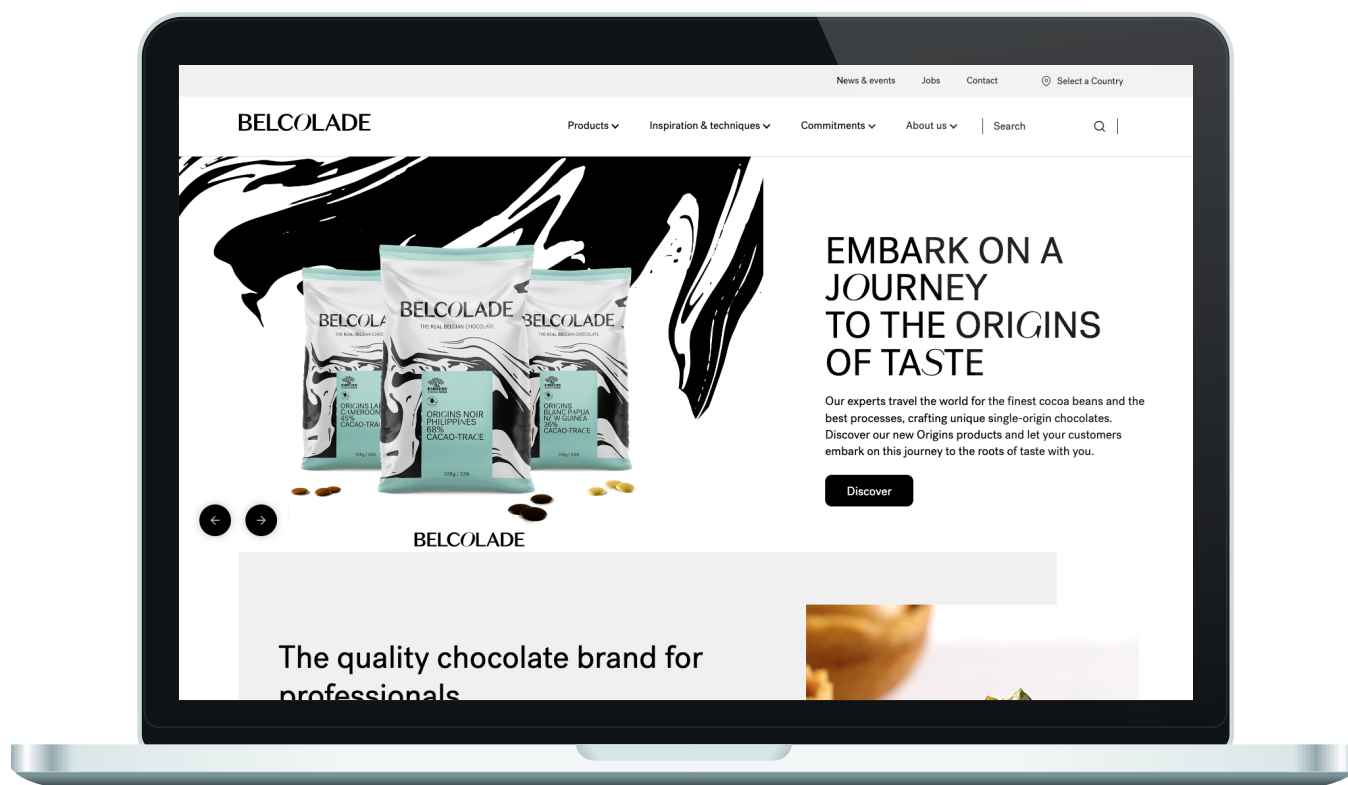
Like and Follow on Facebook



Follow us on Instagram:



Visit us on our website www.belcolade.com

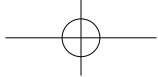




05

Next
Generation
CACAO
FOUNDATION

Next Generation Cacao Foundation



THE NEXT GENERATION CACAO FOUNDATION (NGCF)

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

The Next Generation Cacao Foundation is part of the broader initiative called "Cacao-Trace". The Cacao-Trace program is a sustainable cocoa sourcing program guaranteeing a premium price and a unique Chocolate Bonus of 10-euro cent per kg of chocolate sold.

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

VISION OF THE NEXT GENERATION CACAO FOUNDATION

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

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

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

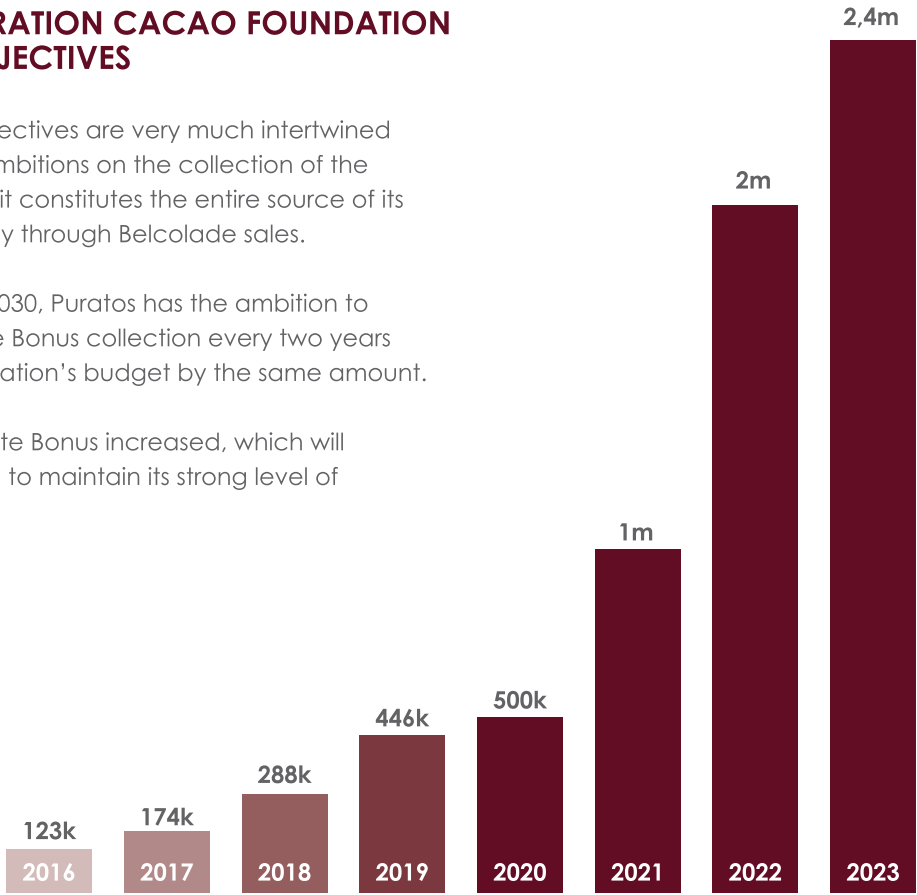
The impact of the Chocolate Bonus is divided into two categories. The first one is to support community projects in rural areas. The second is a cash contribution for individual farmers in more mature countries.

THE NEXT GENERATION CACAO FOUNDATION LONG-TERM OBJECTIVES

The foundation's objectives are very much intertwined with Cacao-Trace ambitions on the collection of the Chocolate Bonus as it constitutes the entire source of its funding today, mainly through Belcolade sales.

Looking forward to 2030, Puratos has the ambition to double its Chocolate Bonus collection every two years increasing the foundation's budget by the same amount.

In 2023, the Chocolate Bonus increased, which will allow the foundation to maintain its strong level of development.



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

THE CHOCOLATE BONUS DISTRIBUTION

As a general principle, the Chocolate Bonus is attributed to the farmer communities in full and is distributed to the farmers as soon as a customer has contributed to it. But, given the complexity of the cocoa supply as well as the harvest seasons, the Chocolate Bonus distributions are organized in each country at different times of the year.

The Chocolate Bonus is distributed (i) either in cash to the farmers, based on the volume of certified beans each farmer sourced to Puratos or (ii) in projects, based on the volume of certified beans the community supplied to Puratos.

Cash contribution for individual farmers is applied in countries with full purchase transparency up to the farmer identity. However, depending on "field reality", in some countries the cash distribution is not possible and/or community projects are needed to meet the fundamental needs.

In this scenario the foundation has foreseen a procedure to finance projects. The 'Community Projects' are listed and proposed by the community itself and the Board of Directors of the foundation selects the projects based on impact, alignment with the foundation's objectives and available funds. Usually, project requests are about access to drinking water, education, health or income diversification.



SELECTING THE COMMUNITY PROJECTS

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

- Annual survey of the communities priority needs
- Selection by local teams and foundation coordinator to allocate the available funds in the most impactful way
- Presentation to the board of the foundation for their approval.

The Next Generation Cacao Foundation's Board of Directors meets quarterly to allocate its funds according to five principles:

Transparency Principle

Each program will receive a Chocolate Bonus contribution corresponding to the cocoa bean's origin processed in Cacao-Trace Chocolate products. Each distribution and project implementation are audited and verified by an external and independent party.

Equity Principle

The contribution takes place on a yearly basis. The Chocolate Bonus is allocated to the farmers in cash or by supporting community projects according to the local context and in function of:

- The priority needs expressed by the farmers every year
- The foundation's values, aligned with the UN SDG's.

Stay Engaged principle

The Next Generation Cacao Foundation always seeks long-term benefits helping future generations on their way. Maintenance of realized community projects is foreseen by setting aside yearly a part of the Chocolate Bonus.

100% Principle

100% of the Chocolate Bonus collected goes to the cocoa farmers or their communities. Puratos covers all the operating and working expenses of the Next Generation Cacao Foundation.

Thorough Principle

Each distribution and project implementation is supervised by local teams.

THE NEXT GENERATION CACAO FOUNDATION'S SOURCES OF INCOME

Today, the budget of the foundation stems entirely from the Chocolate Bonus funded by Puratos customers through the purchasing of Cacao-Trace certified chocolate.

The foundation can also be funded by:

- Special fundraising events;
- Donations by individuals or companies;
- Public subsidies.

To ensure that 100% of its budget goes to the communities of Cacao-Trace farmers, the foundation's operating costs, as well as the financing of audits are fully covered by a donation from Puratos, mainly based on Belcolade chocolate sales.

Report 2023

During the year 2023, the Next Generation Cacao Foundation continued to deploy the Chocolate Bonus Cash distribution in Mexico, the Philippines and Vietnam as well as further strengthened impactful projects in Côte d'Ivoire, Papua New Guinea, Uganda and for the first year Cameroon and Congo.

In 2023, the Next Generation Cacao Foundation collaborated with the NGO Rikolto in Côte d'Ivoire on specific projects. Looking forward, we aim at further supporting farming communities and environmental protection. Looking forward, we aim to develop more external partnerships who enable a broader scope of actions.



Youri Dumont
Strategic Business Unit Chocolate Director - Puratos Group

"As an administrator of the foundation, I am very proud and impressed by the number of projects that we were able to fund in 2023 thanks to an exceptional increase of the Chocolate Bonus from 1 to 2 million between 2021 and 2022. This bonus really has a lifechanging impact on farmers' lives."

CHOCOLATE BONUS DISTRIBUTION IN 2023

Below is a short summary of the donations made by the foundation in 2023. You will find more information on the projects in the Cacao-Trace countries' report.

Distribution in Cash

Country	Amount of Chocolate Bonus	Number of farmers
Mexico	41k€	1472
Philippines	42k€	1200
Vietnam	105k	280



Community projects implemented in 2023

In 2023 the Next Generation Cacao Foundation engaged in Cameroon, Côte d'Ivoire, Congo, Papua New Guinea, Uganda and Philippines.

Cameroon

Donation of 910 school kits.

Total allocated funds: 13k€

Congo

In the primary school of Teluji in Mutwanga:

Construction of 2 new classrooms and 1 sanitary block

Purchasing of new furniture for the classroom (blackboard, benches, chairs....)

Connexion of the school to the electricity network

Road renovation

Total allocated funds: 58k€

Côte d'Ivoire

9750 school kits

Construction, renovation, extension of 5 schools (24 classrooms)

Construction of 3 teachers houses

25 water towers

1 mill for manioc and peanuts in Tigorikro

Total allocated funds: 1,4M€

Papua New Guinea

Construction of:

6 classrooms and 3 sanitary blocks in the villages of Yangoru, Wosera Gawi and Angoram

20 water tanks

Total allocated funds: 192k€

Philippines

Installation of 20 solar street lights

Total allocated funds: 53k€

Uganda

In the Njanja Primary School in Mirambi Parish, construction of

3 new classrooms

1 mechanical pump

1 sanitary block

Total allocated funds: 52k€

Vietnam

Construction of a new classroom in Thanh Binh primary school

Purchasing of new books scholarships for 31 students in Lam Dong primary school

Total allocated funds: 7k€

STRENGTHENING THE TEAM: A FULL TIME COORDINATOR FOR THE FOUNDATION

As we accelerate our Cacao-Trace program, the amount of Chocolate Bonus continues to grow, resulting in significant funds for the foundation and a need to reinforce our structure and human resource due to the scale.

In order to ensure an efficient and impactful management of the foundation and its increasing resources, a full-time coordinator was recruited by Puratos to manage the Foundation in September. The Foundation itself does not have any employee, true to its principle of distributing 100% of its funds to the cocoa farmers and their families.

The coordinator works hand in hand with local Cacao-Trace teams who also have been strengthened this year, notably in West Africa and Asia where the foundation makes the most important donations. In the years to come, the foundation will also contemplate working in partnerships with skilled stakeholders on the ground.

This new set up will improve the governance of the foundation activities and explore new partnerships to further support the project implementation on the ground.



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

Conclusions and outlook

In 2023, the exceptional rise in the budget of the foundation allowed us to significantly increase our impact, notably in the countries where we implement community projects.

Despite a challenging year in the cocoa market with rocketing prices, we are glad to see that following consistent sales of Cacao-Trace chocolate, Puratos managed to increase the Chocolate Bonus for 2023.

The Foundation is grateful to Puratos, Belcolade, Chocolante, Carat and PatisFrance customers for their engagement toward sustainability and Cacao-Trace. Looking forward we see a bright future for Cacao-Trace stakeholders. In the years to come, the foundation is expected to receive an increasingly substantial bonus from the sales of Cacao-Trace certified chocolate products. We hope by doing so, to help improve the life of farmers further.

The foundation is dedicated to ensuring a long-lasting effect of the Chocolate Bonus. Consequently, it was decided that for every concrete project executed, a fraction of the future Chocolate Bonus will be allocated to the maintenance of the project. This will ensure that the investments in education and health infrastructures benefit to future generations as well. Additional initiatives include a portfolio of community projects that can be proposed to Puratos & Belcolade customers who would be interested in the idea of going beyond the payment of the Chocolate Bonus. Those interested would have an opportunity to finance useful projects for the communities that grow the cocoa, such as social (literacy, education, health, etc.) or environmental initiatives (forest protection, reforestation, etc.).



Governance

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

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

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

Puratos Group NV
Puratos NV
Choco-Story NV

Statutory purpose

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

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

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

Management

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

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

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

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

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

Chairperson: Cédric Van Belle, President of the Board of the Puratos Group and Director at Choco-Story NV

Secretary: Youri Dumont, Strategic Business Unit Chocolate Director - Puratos Group

Treasurer: Jean-Philippe Michaux, CFO of the Puratos Group

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

The Directors are assisted in their task by the following team of volunteers:

Foundation management: Sarah Mugnier, Next Generation Cacao Foundation Coordinator

Fundraising: Raphael Audoin Rouzeau, Global cocoa sourcing manager,

Sylvestre Awono, Sr Product and Training Manager Chocolate,

Program impact measurement: Selene Scotton, Group Cocoa Sustainability Manager

Legal and fiscal support: Lode De Zutter, Group Senior Tax Manager,

Roel Straetmans, Legal and Tax Director at Puratos

Financial support: Lola Hernandez, Controller of Puratos

The Directors and the volunteers were chosen for the diversity of their experience and knowledge. The presence of representatives of the Puratos Group ensures that the philosophy of the founders is upheld.

Neither the Board members nor the volunteers receive any remuneration from the Next Generation Cocoa Foundation.

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

Government recognition for tax purposes

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

Belgium: as from 2019

The Netherlands: as from August 2021 under RSIN number 8264.78.499.

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

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



Financial report

in EUR '000			
Committed Chocolate Bonus per year	2021	2022	2023
Vietnam	87,386	105,759	108,968
Philippines	39,004	42,943	54,068
Papua New Guinea	69,271	123,250	182,881
Côte d'Ivoire	769,982	1,574,035	1,970,124
Mexico	19,385	43,327	41,521
Uganda	16,096	52,293	65,166
Cameroon	9,845	3,841	10,805
Congo	0	57,936	10,415
Total	1,010,608	2,003,384	2,443,948

in EUR '000			
Assets		Liabilities	
Bonus receivable from customers	2,166,924	Bonus to be distributed	3,616,078
Cash	1,450,719	Payables	1,565
	3,617,643		3,617,643

in EUR '000			
Income Statement	2021	2022	2023
Bonus received or to be received	1,000,935	2,021,572	2,443,628
Bonus distributed or to be distributed	(1,000,935)	(2,021,572)	(2,443,628)
Exceptional donations	0	0	0
Exceptional distributions	0	0	0
Operating results	(20,316)	(21,489)	(24,086)
Donations received from the Puratos Group	20,316	21,489	24,086
Total	0	0	0

FINANCIAL TRANSPARANCY

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

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

History of the Foundation donations

Cash Distribution

Year	Amount	Countries
2016	€123,000	Vietnam
2017	€174,000	Vietnam, Philippines
2018	€161,000	Vietnam, Philippines
2019	€109,000	Vietnam, Philippines
2020	€179,848	Vietnam, Philippines, Mexico
2021	€146,000	Vietnam, Philippines, Mexico
2022	€198,000	Vietnam, Philippines, Mexico
2023	€169,000	Vietnam, Philippines, Mexico

PROJECTS

2019

Côte d'Ivoire

- 1st primary school built in Abdoulaykro – San Pedro (+300 pupils)
- 1 clean water solar pump installed

2020

Côte d'Ivoire

- 500 scholarships distributed to Cacao-Trace farmers with supplies, uniforms and school bags for the children of cocoa farmers, plus teachers' kits
- 3 clean water solar pumps
- Special Covid donation. Action in all Cacao-Trace programs (8,000 farmers supported)
- 1 canteen in Greleon primary school
- 1 maternity in Gobroko – Sassandra (30 babies per month)
- 1 school in Zegreboue (+150 pupils)

Papua New Guinea

- School extension in Nindiwi (+100 pupils)
- School extension in Negrie (+50 pupils)

Vietnam

- Primary school extension – Daklak (+50 pupils)



2021

Côte d'Ivoire

3 water pumps in three different communities Nero-Brousse – Godjiboue – Generalkro
3 classrooms in the Zegreboue community
3 classrooms + 8 toilets in the Davidkro community
1500 scholarships distributed to Cacao-Trace farmers with supplies, uniforms and school bags for the children of cocoa farmers, plus teachers' kits.

Papua New Guinea

46 water tanks (rainwater harvesting) were installed in PNG
3 classroom and 6 toilets in PNG (Angoram & yangorou)

2022

Côte d'Ivoire

12 clean water towers
4,500 scholar kits
1 maternity in Nero-Brousse
3 classrooms in Davidkro
1 grinder in Parc, 2 poultries in Daregba and Colonel

Philippines

Donation of computer equipment for the Davao State University regenerative science research lab – Agricultural department

Uganda

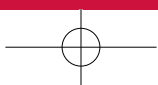
250 School kits

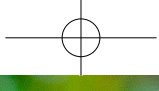


06



Cacao-Trace program and the SDG's





CACAO-TRACE AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

With Cacao-Trace we fully support the 17 Sustainable Development Goals set by the United Nations. We have mapped them with our commitments and aim to contribute positively to them. We want to inform about the goals and create awareness amongst our employees, our suppliers, and our customers so that everyone that is part of our supply chain can contribute to the realization of the SDG's.

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





1. No poverty

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



3. Good Health and Well-Being

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

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



8. Decent work and economic growth

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



9. Industry, Innovation, and Infrastructure

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



12. Responsible consumption and production

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



13. Climate action

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



17. Partnerships for the goals

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

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



"Over the past 15 years, I have worked to develop this unique program. Starting with a pilot project in the Mekong Delta in Vietnam, I am delighted with the scale we have achieved and the impact we continuously deliver to the farming communities of Cacao-Trace. The journey continues and our goal becomes stronger every day."

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

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

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





1. No poverty

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



2. Zero hunger

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



3. Good Health and Well-Being

The Next Generation Cacao Foundation directly invests in health infrastructure. In 2022, The foundation built and furnished a maternity in Nero-Brousse-Côte d'Ivoire, at the heart of our Cacao-Trace community.



4. Quality education

The Next Generation Cacao Foundation is strongly engaged in facilitating access to education in rural areas where Cacao-Trace communities are located. This involves regular and increasing investment in schooling infrastructures. Education kits and scholarship projects are playing an increasing role in the foundation's action.



5. Gender equality

The Next Generation Cacao Foundation monitors and encourages gender equality. Specifically targeting young generations, our investment in sanitation facilities in most of the schools infrastructure supported allow better access to education for young girls. Scholarship programs also aim to support young girls access to education.



6. Clean water and sanitation

The Next Generation Cacao Foundation is prioritizing investing in clean water and sanitation facilities for the Cacao-Trace communities. In 2023, we invested in 46 water infrastructures (water castles, water tanks, mechanical pump).



17. Partnerships for the goals

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



07



Thank you to our customers



THANK YOU TO OUR CACAO-TRACE CUSTOMERS!

Whether you are a small independent chocolatier or big industry player, the success of the Cacao-Trace program and its wide impact on the cocoa farmers through the Quality Premium and the Chocolate Bonus would not be possible without our +22,000 customers.

Your support for a better and more responsible chocolate helps us move towards a more sustainable chocolate industry every day.

We also want to give a special thanks to our My Cacao-Trace clients for their long-term commitment!

My Cacao-Trace is a program that allows a chocolatier to create an exclusive relationship with dedicated communities of cocoa producers in our supply chain, being able to have a more in-depth follow-up of the improvement of their living conditions. They also commit for purchasing the cocoa of this community for a minimum of five years. The program is secured and powered by the Cacao-Trace team.



Karen Janssens, Sustainable Sourcing at Colruyt Group, My Cacao-Trace client

"Thanks to Cacao-Trace we are able to build upon a strong company program that is considering price and farmer income as an important driver for farmer well-being. Cacao-Trace and Colruyt Group share the same ambition to share value with all the actors in the value chain, also and foremost the cocoa producers themselves. Paying a Living Income Reference Price is a key strategy for long lasting sustainability. We particularly appreciate the transparency of the value chain and the connection with the cocoa producers and their communities, making them visible and giving them a voice."

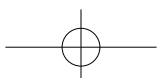
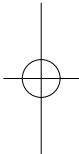
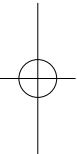


Colruyt is a Belgian retailer, family owned since 3 generations. Just as their customers, they are aware of the need for sustainable products. They encourage their customers to consume consciously and to make better food choices. Colruyt makes their decisions based on the economical, ecological, and social impact of their options. They have rolled out their own "living income" tablet based on the Cacao-Trace program.

Notes



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Great Taste
Doing Good

www.cacaotrace.com

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 **puratos**
Food Innovation for Good

7673 - 05/2024