



2019 | 20

ESR

REPORT

**CÉMOI'S COMMITMENT
FOR A SUSTAINABLE CHOCOLATE**

EDITORIALS



PATRICK POIRRIER
CHAIRMAN OF THE CÉMOI GROUP

“Chocolate is a shared pleasure. At CÉMOI we want future generations to perpetuate this pleasure.

We are committed to sustainable chocolate throughout the supply chain, from the farmer to the consumer, and that is our vision of the ecological transition for our industry.

The CÉMOI Group is a signatory of the United Nations Global compact and all its activities are in strict compliance with human rights, international labour standards, environmental protection and the fight against corruption. This report serves as a communication on the progress made in these areas, and through it, we are reaffirming our ongoing commitment to its principles.”



PATRICK COLLIN
CEO OF THE CÉMOI GROUP

“At CÉMOI, we believe that our role is not simply to produce chocolate for the pleasure of our customers, but to do so while taking care to preserve the nature that provides us with the raw materials, the planters and farmers who cultivate them, and to blend and craft these ingredients into excellent products that our employees can be proud of.

We have made quantified commitments as part of our 5-year plan to provide sustainable chocolates and to create the conditions in which our employees are fulfilled and committed and, thanks to this policy, will encourage others to join us.

The Group was built on these bases, but more than ever the current environment reminds us that we must continue and strengthen these principles. This 2019/2020 report details what has already been accomplished and what remains to be done.”

WE SUPPORT



CÉMOI supports the ten principles of the United Nations Global Compact regarding respect for human rights, international labour standards, environmental protection and the fight against corruption.



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THE CÉMOI GROUP

The heir to more than 200 years of French chocolate expertise, CÉMOI is an expert in the chocolate business, whether for professionals or consumers.

OUR BUSINESS SEGMENT

OUR SUPPLY CHAIN

COCOA > A VERTICAL COCOA SUPPLY CHAIN, FROM THE PLANTATIONS TO THE END PRODUCT, WITH 3 LEVELS OF TRACEABILITY AND AROMATIC QUALITY

1



EXCELLENCE

QUALITY ++
TRACEABILITY TO PLANTATION

10%
OF TOTAL SUPPLIES

2



PRÉFÉRENCE

QUALITY ++
TRACEABILITY TO COOPERATIVE

30%
OF TOTAL SUPPLIES

3



RÉFÉRENCE

QUALITY ++
TRACEABILITY TO FACTORY

60%
OF TOTAL SUPPLIES

TRANSPARENCE

CÔTE D'IVOIRE, SÃO TOMÉ, ECUADOR, DOMINICAN REPUBLIC, PERU

OTHER RAW INGREDIENTS > SUGAR, HAZELNUTS, ALMONDS, SUNFLOWER LECITHIN...



100,000 TONNES
PURCHASED PER YEAR

> 3% OF WORLD PRODUCTION

OUR PRODUCTS

BTOC 53%

PERMANENT :

- Chocolate (including organic): tablets, papillotes, boxes of chocolates
- Confectionery: chocolate marshmallows (e.g. "Ourson" bears)
- Biscuits: Quadro

SEASONAL:

Christmas & Easter



BTOB 47%

INDUSTRIAL AND ARTISANAL DISTRIBUTOR BRANDS



RECIPE CREATION, PROCESSING, PACKAGING



TWO LINES OF BUSINESS: CHOCOLATE-MAKER & CONFECTIONERY



200,000 TONNES
OF PRODUCTS SOLD PER YEAR

ECUADOR

PERU

DOMINICAN REPUBLIC

CÔTE D'IVOIRE

SÃO TOMÉ

THE GROUP IN FIGURES

14 INCLUDING 9 IN FRANCE
FACTORIES

3,700 INCLUDING 2,200 IN FRANCE
EMPLOYEES

200 MILLIONS EUROS
INVESTED OVER 10 YEARS

TURNOVER OF 750
MILLION EUROS

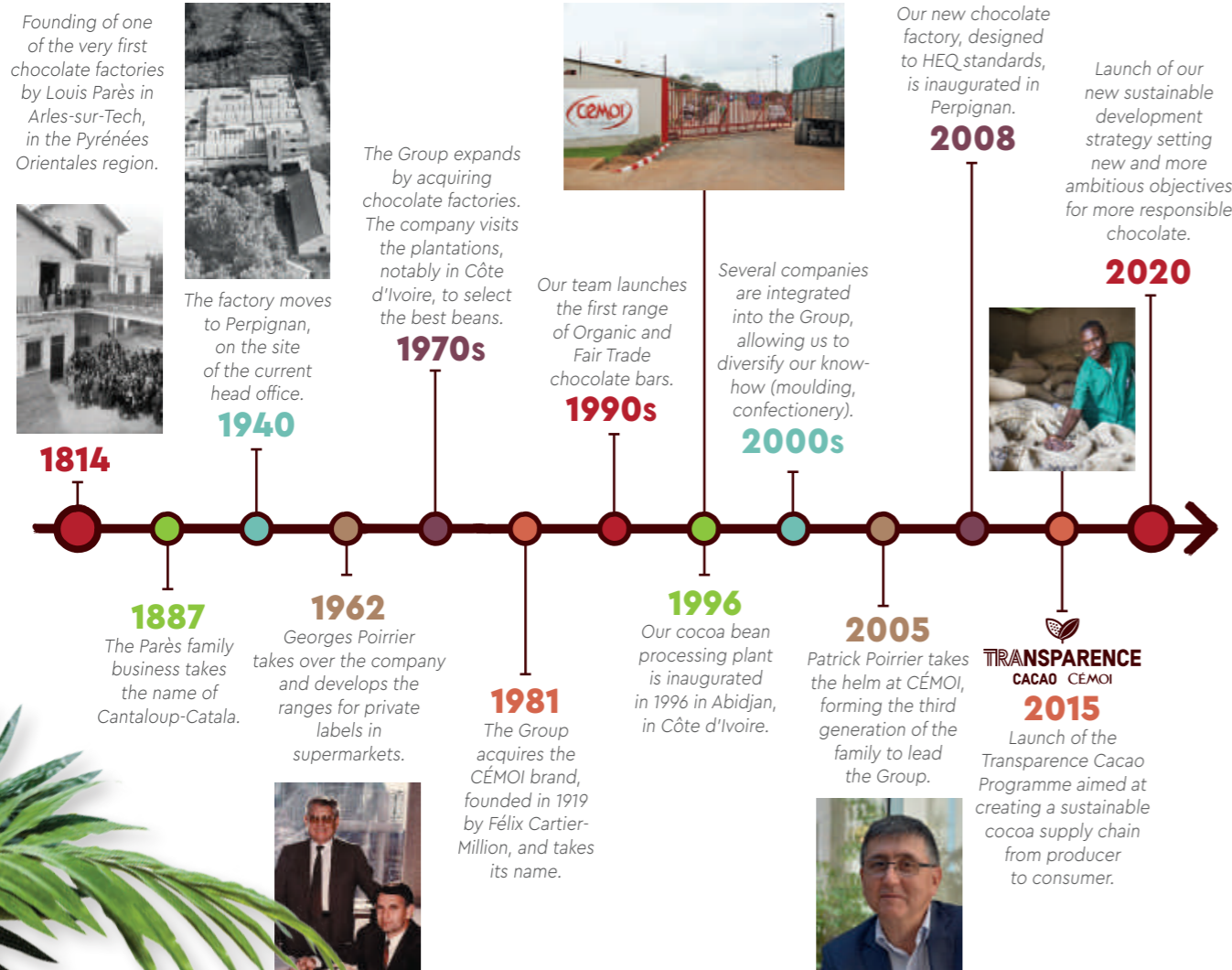
NO.1 FRENCH CHOCOLATE
MANUFACTURER

3 GENERATIONS

A FAMILY GROUP AND HEIR TO A TRADITION DATING BACK TO 1814
EUROPEAN MARKET LEADER



OUR HISTORY



OUR VALUES



PASSION

Throughout the major milestones in our history, we have succeeded in instilling a sense of **pride in our business and a passion for our expertise in our employees.**



SHARING

At CÉMOI, passion only counts if it is shared. And this sharing starts with our employees, who are our best ambassadors.



INNOVATION

Innovation has been part and parcel of the history of the Group since its inception. At every stage in the cocoa and chocolate supply chain, **our expertise serves innovation.**



COMMITMENT

We believe that it is **men and women who make companies successful** and brands long-lived.

OUR GOALS UP TO 2025

OUR RESPONSIBILITY

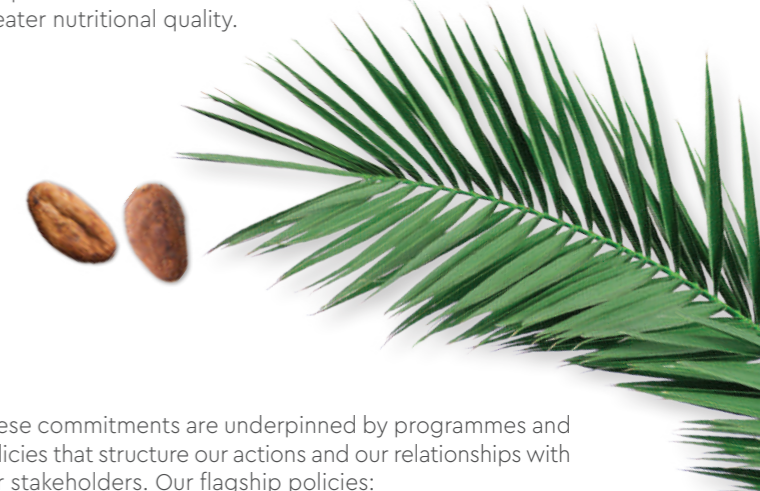
As a major player in the chocolate industry, our activity is intrinsically linked to natural resources, as well as to the men and women who contribute to the creation of CÉMOI chocolate. We are aware of our environmental and social responsibility at every stage of the manufacturing process – from the production of the raw ingredients to the impact of the end product.

This responsibility begins with the cultivation of our most crucial raw ingredient: cocoa. This is one of the food commodities most regularly singled out for the associated human and environmental risks. As well as guaranteeing quality cocoa for our chocolate, it is our duty to ensure that it is grown in the best possible conditions, guaranteeing respect for human rights and fair remuneration for the farmers, and combating deforestation.

Our impact also depends on the choices we make concerning our immediate locations, in our factories and our offices.

We have set ourselves objectives for reducing our consumption of energy and materials, while at the same time guaranteeing the well-being and security of our employees.

Lastly, as a chocolate-maker, we are working to guarantee our professional and end customers ever better taste and greater nutritional quality.



4 AREAS OF COMMITMENT

CÉMOI has been a pioneer in the commitment to sustainable cocoa development for more than two decades, especially with its pioneering work on organic cocoa as part of its Transparence Cacao strategy. By forging strong economic ties with Côte d'Ivoire, Ecuador, the Dominican Republic, Peru and São Tomé over many years, the Group has gained greater control over production conditions and the quality of its cocoa. Today, we need to go further in our approach to sustainable production by acting on our entire value chain and a greater variety of issues.

By doing so, we aim to transform the cocoa industry and our profession of chocolate-maker by making them more sustainable, more environment-friendly and more transparent.

To meet this objective, we have stepped up our social and environmental responsibility commitments in four main areas where our impact is greatest:

- 1. PRESERVING THE ENVIRONMENT**
- 2. TERRITORIAL ANCHORAGE**
- 3. QUALITY PRODUCTS**
- 4. FULFILLED EMPLOYEES**

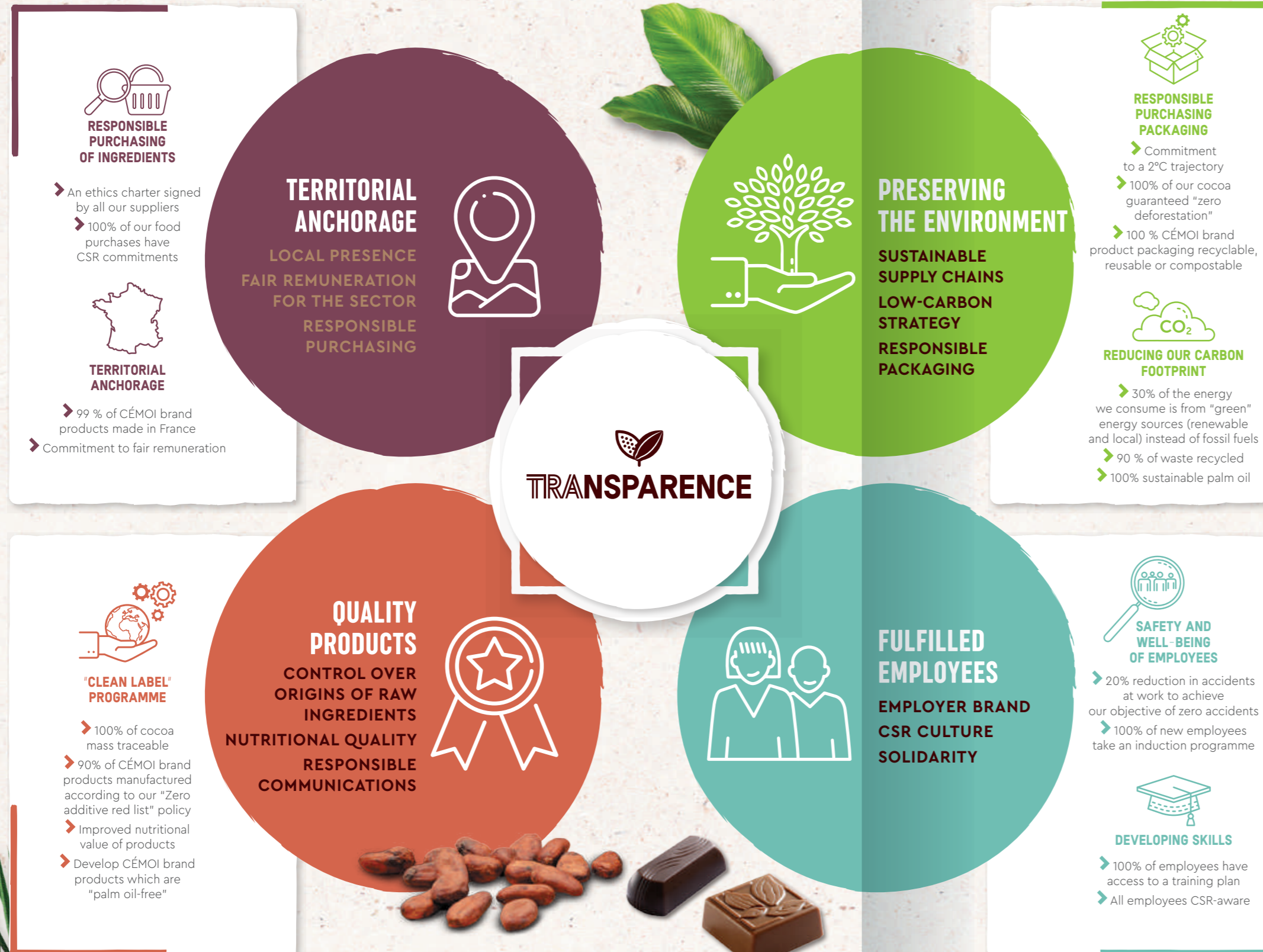
These four areas of commitment are part of our objectives up to 2025 and go hand in hand with indicators that are being put in place this year to measure our progress and implement the solutions best suited to meeting these challenges.

These commitments are underpinned by programmes and policies that structure our actions and our relationships with our stakeholders. Our flagship policies:

- **PURCHASES AND COMMITMENT TO SUSTAINABLE FARMING:** Transparence Cacao programme, Responsible Purchasing Charter;
- **COMMITMENT TO NUTRITIONAL QUALITY:** "Zero additive red list" policy, Group quality policy, Clean Label better eating policy;
- **ETHICAL BUSINESS CONDUCT:** Code of ethics.



TRANSPARENCE CÉMOI : OUR AMBITIONS UP TO 2025 FOR MORE RESPONSIBLE CHOCOLATE



ANTOINE RESK DIOMANDÉ,
HEAD OF CSR,
CÉMOI GROUP

“Today, our responsibility requires us to go further in our sustainable development policy by working proactively along our entire value chain and on a wider range of social and environmental issues. This is the objective of our policy in these four areas of commitment, which are bound to have a positive impact on society.”

OBJECTIVES INTEGRATED INTO INTERNATIONALLY RECOGNISED PROGRAMMES

CÉMOI is a member of several international sustainable development programmes aimed at advancing the cocoa sector. Below are the principal ones:

• **GLOBAL COMPACT:** CÉMOI is a member of the United Nations Global Compact, which unites companies voluntarily committed to 10 principles related to human rights, labour standards, the environment and the fight against corruption.

• **COCOA AND FORESTS INITIATIVE:** The Cocoa & Forests Initiative is the leading global partnership between the governments of the main cocoa-producing countries and the private sector working together within a common framework to address the challenges of climate change. CÉMOI was one of the first signatories of this initiative.

• **CACAO AMI DES FORÊTS:** This programme (which translates as "Forest-Friendly Cocoa") was launched in partnership with the Conseil du Café-Cacao (Coffee and Cocoa Council) of Côte d'Ivoire and aims to promote sustainable cocoa production in the country, reconciling the preservation of natural and forest resources and the improvement of living conditions for cocoa producers. CÉMOI is in charge of the programme, which focuses in particular on traceability in the cocoa sector, the preservation of forest ecosystems and capacity-building in the cooperatives.

• **CÉMOI'S INITIATIVE FOR SUSTAINABLE LANDSCAPES (ISLA):** From 2016 to 2019, CÉMOI was a partner of the ISLA programme in Côte d'Ivoire, aimed at preserving the forest of the Taï National Park. This programme enabled local producer cooperatives to densify and rehabilitate their orchards by improving their yields. Programme run in partnership with the Conseil du Café-Cacao (Coffee-Cocoa Council) of Côte d'Ivoire, the World Agroforestry Centre, Ecotierra, SODEFOR, IDH and Anader.



PRESERVING THE ENVIRONMENT

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Given its strong link to natural resources, CÉMOI is aware of its environmental responsibility.

This is why the Group is committed to reducing its environmental impact throughout its value chain, from the upstream agricultural stages to the end of its products' life cycle.

By forging partnerships with the farmers and cooperatives, CÉMOI is striving to disseminate good, sustainable farming practices while ensuring better traceability.

The Group aims to adopt a 2°C trajectory by acting on its entire production chain, notably the energy efficiency in its factories and the eco-design of its packaging in the rationale of a circular economy.



STRENGTHENING THE AGRO-ECOLOGICAL BASIS OF OUR SUPPLY CHAIN

ENVIRONMENTAL DEGRADATION THROUGH DEFORESTATION AND THE USE OF SYNTHETIC INPUTS IN COCOA FARMS

The direction in which the cocoa sector has developed in recent decades has led to an intensification of production to the detriment of environmental protection.

This intensification is the source of major environmental issues that are jeopardising the sustainability of cocoa farming:

- **A phenomenon of chronic deforestation, which is negatively impacting soil fertility and accentuating the effects of climate change, such as greenhouse gas emissions.** The decline in cocoa farm yields accentuates these effects because, in order to maintain their productivity, one of the only means available to farmers is to expand their plots by deforesting the areas bordering their farmland. In Côte d'Ivoire it is estimated that around 13 million hectares have disappeared since the 1960s, partly because of cocoa. That amounts to 80% of the original Ivorian forest. Yields on cocoa plantations in Côte d'Ivoire are among the lowest in the world: on average, all ages combined, the yield is 400 kg/ha per year¹. South America has been less affected by the phenomenon of deforestation thanks to the development of an agroforestry model for cocoa cultivation, but this model is being challenged by some companies, raising concerns.
- **The use of synthetic inputs such as fertilisers and pesticides to fertilise the soil and control pests, including the mealy bugs that transmit the widespread "swollen shoot" disease, a viral disease that affects cocoa trees.** Used over the long term and above certain doses, these farming practices deplete the soil, destroy biodiversity and reduce yields.

1/ A. A. Assiri, G. R. Yory, O. Deheuvels, B. I. Kebe, Z. J. Keli, A. Adiko et A. Assa, Les caractéristiques agronomiques des verges de cacaoyer (Theobroma cacao L.) en Côte d'Ivoire, Journal of Animal & Plant Sciences, 20009, vol. 2 issue 1; J. P. Colin and F. Ruf, Une économie de plantation en devenir. L'essor des contrats de planter-partager comme innovation institutionnelle dans les rapports entre les autochtones et étrangers en Côte d'Ivoire, Revue Tiers Monde, 2011/3 n°207



THE TRANSPARENCE CACAO PROGRAMME

THE TRANSPARENCE CACAO PROGRAMME HAS MULTIPLE OBJECTIVES:

- To strengthen our knowledge of the supply chains,
- To be able to trace our cocoa supply back to the farming communities,
- To help farmers improve the quality of their harvests,
- To enable the farmers to obtain better income from their work while taking care of their environment.

Implementation of the TRANSPARENCE CACAO programme is based on 3 complementary stages: firstly, getting to know the 60,000 farmers in the programme and how they are organised so as to have better control over the quality of the cocoa supplied and identify ways of improving it. Following this diagnostic, we then set up specific action plans aimed at professionalising each of the different players. Lastly, we check the progress of the project with robust performance indicators and external partners.

Through this programme, CÉMOI has forged strong links with farmers and its local technical partners, such as Earthworm (formerly TFT – The Forest Trust), the World Agroforestry Centre (ICRAF), ECOTIERRA, a developer of sustainable agroforestry projects, etc., with whom the Group is gradually deploying virtuous agricultural practices within its supply chain to combat deforestation and pest damage, and to improve soil fertility and yields. These practices are aimed first and foremost at:

- **Strongly developing cocoa in agroforestry:** either by planting cocoa trees in an existing, partially deforested forest, or by introducing trees into cocoa plots to limit exposure to light, which is detrimental to yield;
- **Diversifying crops:** setting up crop rotation with a mix of cocoa and other crops, preferably food crops such as yams, bananas, maize, cassava, rice, etc.;
- **Reducing the use of synthetic inputs:** fertilisers and pesticides;
- **Banning GMOs;**
- **Implementing a cocoa orchard development plan;**
- **Developing the use of compost from pods.**

In 2020 CÉMOI began reviewing the way it assesses the impact of its Transparence programme. To measure the programme's progress more accurately and identify relevant avenues of improvement, it has developed new measurement indicators. These include:

- The number of redensification trees distributed per hectare
- The number of agroforestry demonstration plots installed
- The use of plant protection products and synthetic fertilisers

TRANSPARENCE CACAO CÉMOI

ENVIRONMENT



3,087 HECTARES OF COCOA ORCHARDS REHABILITATED IN 2019

out of an ambitious objective of 57,000 hectares

ENTREPRENEURS / FARMERS



6,477 FARMERS TRAINED IN GOOD FARMING PRACTICES IN 2020

> 22,384 from 2017 to 2019
> 37% of the total number of farmers included in the programme

TRACEABILITY



100% TRANSPARENCE CACAO
33% CACAO EXCELLENCE, PRÉFÉRENCE, ORGANIC COCOA, OTHER QUALITY LABELS
67% CACAO RÉFÉRENCE

COMMUNITIES



15 COMMUNITY PROJECTS SPONSORED

> 5 education projects
> 3 women's entrepreneurship projects
> 7 projects for access to water

Figures at December 2018

SPOTLIGHT ON THE ORGANIC SECTOR AT CÉMOI

Aware that the development of organic farming is key to advancing farming practices, especially in a country like Côte d'Ivoire where agronomic difficulties are higher than in other countries, CÉMOI has set itself the ambition of being a driving force for organic chocolate in the world.

TODAY CÉMOI BUYS **4000** OF ORGANIC COCOA BEANS NEARLY **TONNES** FROM PARTNER COOPERATIVES

This took shape in 2019 with the launch of a new range of organic chocolate bars, produced in France and marketed in supermarkets since April 2019. This range is gradually being expanded to include new references of organic products, particularly during the Easter and Christmas seasons.

CÉMOI is committed to producing organic chocolates of exemplary quality as regards the environmental and social aspects and taste:

ORGANIC CHOCOLATE, PRODUCED IN FRANCE AND FAIR-TRADE

The Tinchebray factory in Normandy currently produces most of the CÉMOI organic chocolate bars. Production lines specialising in organic chocolate are located at the Torremila plant in the Pyrénées-Orientales and the Villeneuve-d'Ascq and Bourbourg plants in the Nord département. All these production sites are also certified Fair For Life (FFL) by Ecocert.

ENVIRONMENTAL QUALITY

Local experts in Latin America and São Tomé train producers in good agricultural and forestry practices. The aim is to preserve and renovate ageing plantations sustainably and without chemical inputs thanks to techniques developed and taught to farmers by CÉMOI's partner agronomy technicians. This support has helped increase yields per hectare fivefold (1,500 – 2,000 kg/ha, compared with a world average of 350-400 kg/ha).

QUALITY OF LIFE OF THE FARMERS

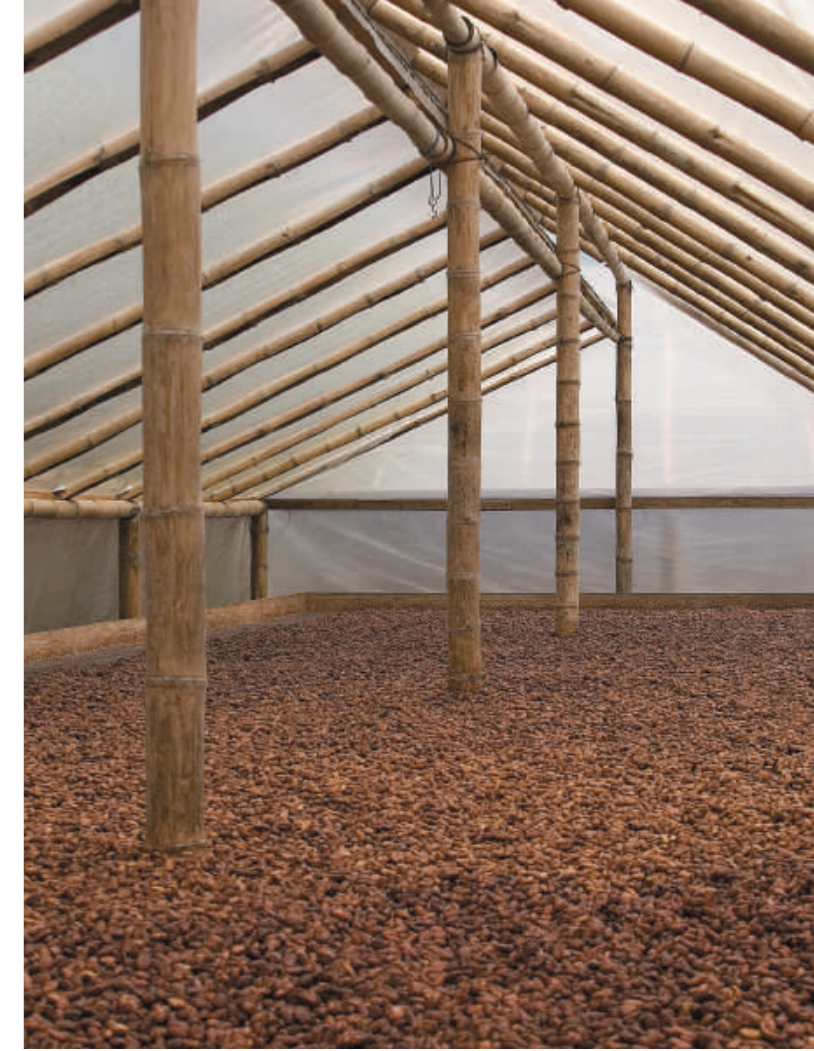
The economic model proposed to the farmers takes the form of a contract between the Producers' organisation and CÉMOI for a minimum of 3 years which ensures them a guaranteed minimum price higher than that of the market.

FOOD QUALITY AND TRACEABILITY

Upon receipt, the raw materials are clearly identified and stored in a dedicated area. They must be labelled "organic" and include a reference to the certification body. Organic regulations require physical traceability of supplies: at least 95% of the ingredients in the end product come from organic farming.

AROMATIC QUALITY

The fermentation processes are developed and controlled according to a specific process created especially by and for CÉMOI, in fermentation centres built locally with farmers' cooperatives. **The objective is to preserve the aromas of the cocoa beans.**



While CÉMOI has successfully developed organic production chains in Latin America and São Tomé, our goal now is to replicate these successes in Côte d'Ivoire, where the development of organic agriculture is more complicated and still in its infancy. We aim to develop greater synergy between the organic producers in South America and in Côte d'Ivoire in order to share and develop good practices in the supply chains of CÉMOI chocolates. In Côte d'Ivoire, we have achieved the feat of obtaining organic certification for our conversion programme begun in 2016 in the South Comoé district of the sub-prefecture of Maféré, and more precisely in the localities of Diby and Koffikro. We are the first industrial company to obtain organic certification in Côte d'Ivoire.



SPOTLIGHT ON THE ORGANIC SECTOR IN SÃO TOMÉ

- In São Tomé, the local cooperative buys the entire production.
- This represents almost half of the country's cocoa bean production. In 2005, the organic cocoa harvest amounted to 67T of cocoa.
- Today, the volume is over 1,000T.



COCOA & FORESTS INITIATIVE

The environmental aspect of our Transparence Cacao programme is based on a clear vision: to produce chocolate that contributes to environmental protection efforts to reduce the risk of deforestation, improve farmers' incomes and promote intelligent cocoa farming.

Consequently, being one of the first chocolate companies to sign up to the Cocoa & Forests Initiative (CFI) is in line with this vision of sustainable cocoa. The Cocoa & Forests Initiative is the leading global partnership between the governments of the main cocoa-producing countries and the private sector working together within a common framework to promote sustainable cocoa. This rationale has formed the very basis of our commitment to the sustainable production of chocolate for several decades now, and our Transparence Cacao programme is helping establish it firmly at the heart of the industry.

THE SIGNATORY COMPANIES ARE REAFFIRMING THEIR COMMITMENT BY IMPLEMENTING ACTION PLANS IN THE PRODUCING COUNTRIES IN 3 PRIORITY AREAS:

1. FOREST PROTECTION AND RESTORATION
2. SUSTAINABLE PRODUCTION AND SOURCES OF INCOME FOR PRODUCERS
3. COMMUNITY PARTICIPATION AND SOCIAL INCLUSION

LINK TO THE 2019 CÉMOI COCOA & FORESTS INITIATIVE REPORT

<https://www.transparence-cacao.com/news/2020/03/26/CÉMOI's-cocoa-forest-initiative-2018-2019-report/>



OUR COMMITMENT ON PALM OIL

All our couvertures are 100% cocoa butter and we have developed a range of CÉMOI brand chocolates without palm oil. Whether chocolate tablets or the chocolate used for couverture, moulding or coating confectionery, the only vegetable fat they contain is cocoa butter.

However, palm oil is used to produce the interiors of our chocolate sweets, such as the pralines found in some of our assortments, or in fancy truffles.

Our palm oil is 100% RSPO-certified and meets environmental standards that guarantee traceability and respect for biodiversity, for example by excluding the deforestation of tropical forests:

- Certified palm oil that cannot be produced in a primary forest or in a protected area;
- Local populations must be respected;
- Producers must use the best available technology to maintain the purity of water and soil and reduce emissions of pollutants and CO₂;
- It must provide a decent income to employees while respecting their rights.

We are aware that this response is not always sufficient, which is why we are also conducting numerous R&D projects to find alternatives to palm oil and be able to offer some of our products without palm oil.

Since 2019 this commitment has taken effect with our organic palm-oil-free papillotes.



OTHER RAW INGREDIENTS

Aware that sustainability issues concern not only its main raw ingredient, cocoa, CÉMOI has carried out a risk analysis and is currently working on its other supply chains, such as milk, sugar, almonds and hazelnuts. In 2020, we are working to develop a sustainable supply chain strategy to be deployed as early as 2021 to guarantee the sustainability of all our purchases by 2025.



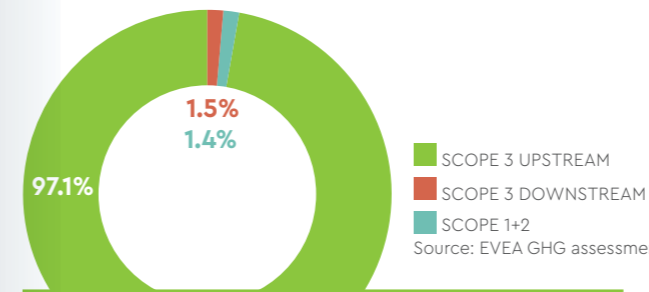
2 DEPLOYING A 2°C LOW-CARBON STRATEGY

Given the current climate emergency, CÉMOI is fully aware of its environmental impact, especially its carbon footprint resulting from its activities at every stage of the value chain. CÉMOI's business is intrinsically linked to natural ecosystems, and the impacts of climate change may already be having a significant impact on its sustainability. Aware of the huge issue at stake, we have committed to making a 2°C trajectory the goal of our emission-reducing efforts, in line with global objectives. At the same time, we will promote sustainable farming models by limiting our energy consumption and making greater use of green energy sources.

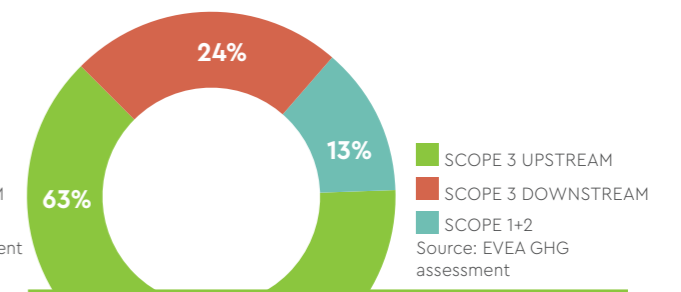


OUR OBJECTIVES UP TO 2025

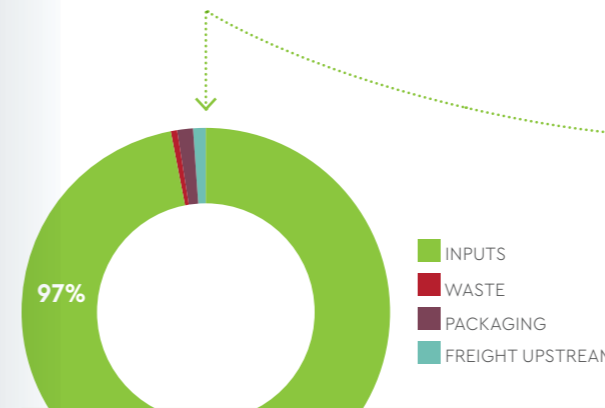
- ALIGN OUR OPERATIONS WITH A 2°C TRAJECTORY
- SOURCE 30 % OF OUR ENERGY FROM "GREEN" ENERGY (RENEWABLE AND LOCAL SOURCES) INSTEAD OF FOSSIL FUELS
- RECYCLE AT LEAST 90% OF THE WASTE FROM OUR FACTORIES



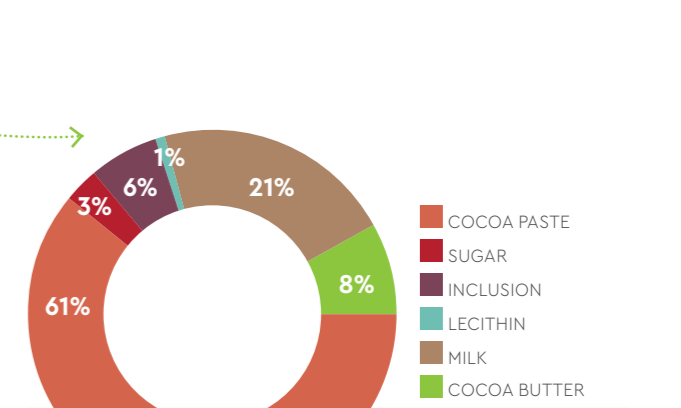
CÉMOI CHOCOLATIER (CHOCOLATE-MANUFACTURING BUSINESS): TOTAL FOOTPRINT 721,095.05 T EQ CO₂ (2018)



CÉMOI CONFISEUR (CONFECTIONERY BUSINESS): TOTAL FOOTPRINT 50,614.86 T EQ CO₂ (2019)



DETAIL SCOPE 3 CÉMOI CHOCOLATIER (CHOCOLATE-MANUFACTURING BUSINESS)



DETAIL SCOPE 3 CÉMOI CHOCOLATIER (CHOCOLATE-MANUFACTURING BUSINESS): GHG EMISSIONS PER INGREDIENT

The carbon assessments carried out in 2018 and 2019 enabled CÉMOI to determine the carbon footprint of the various operations in its value chain. Although indirectly related to the group's activities (scope 3), a large proportion of this carbon footprint is attributed to the production of raw ingredients. In particular, cocoa-growing has a significant impact on climate due

to deforestation and the related use of fertilisers and pesticides. This is why, under the Transparence Cacao programme, CÉMOI is working with its partners to develop more virtuous agricultural practices, including agroforestry and the reducing the use of artificial inputs.

IMPACTING ENERGY CONSUMPTION AT OUR SITES

To limits its direct emissions (scope 1 and 2), CÉMOI has implemented a programme to reduce energy consumption at its factories, warehouses and offices.

This is based on two main lines of approach:

1. Improving energy efficiency, and
2. Replacing fossil fuels by green energy sources.

1. IMPROVING ENERGY EFFICIENCY

Back in 2013, we launched an energy efficiency policy at all the Group's industrial sites and rolled out MetronLab, an energy intelligence platform, to monitor and assess our energy efficiency. Our programme is piloted by energy officers on each site. It is based on a list of activities by which we are able to precisely monitor and control our emissions in order to reduce them.

At the same time, we are pursuing a process of ISO certification at our sites: today, most of our factories in France have ISO 50001 (Energy Management) certification and CÉMOI Chocolatier in Torremila has ISO 14001 (Environmental Management) certification

Thanks to these measures, the Group's energy efficiency rose by 8% between 2013 and 2019.

2. REPLACING FOSSIL FUELS BY GREEN ENERGY SOURCES

Reducing our carbon footprint also means transitioning to cleaner energy sources.

This is why CÉMOI is committed to meeting 30% of its energy needs with green energy sources by 2025, in order to limit its use of fossil fuels.

To support this commitment, CÉMOI is developing clean energy supply systems in its factories. These projects have, for example, enabled CÉMOI to reduce its gas consumption from 7GWh per year to 1GWh today.

- **Torremila:** an 11,000 m2 photovoltaic roof and photovoltaic shelters in the car park, supplying solar energy for our operations and for the electricity grid. The factory is also served by an urban heating network fed by energy from a waste incinerator a few kilometres away, which lowers air pollution by recovering waste.
- **Chambéry:** our factories are being connected to heat and steam networks to enable us to do without gas altogether.

According to the GHG Protocol Corporate Standard, which is the international reference framework, scopes 1, 2 and 3 are defined as follows:

- **SCOPE 1:** Direct emissions from fuel or refrigerated installations located in an operational equipment area (fuel consumption, vehicles, potential leaks, etc.).
- **SCOPE 2:** Indirect emissions from the generation of electricity and/or steam, or sources of hot or cold energy, produced and consumed by the company.
- **SCOPE 3:** All indirect emissions caused by the company's activities not taken into account in Scope 2; i.e. emissions from its entire value chain, including its suppliers and consumers. For example, this includes emissions from agriculture, transport and the distribution of purchased goods and services.



OUR PRODUCTION WATER CONTRIBUTES TO THE CREATION OF BIOGAS

In Perpignan, the Torremila business park where the CÉMOI factory is located has had a methanisation unit since this year. This plant will produce 25,900MWh of biogas per year, equivalent to the energy consumption of 8,000 inhabitants. We are proud to be participating in this project by supplying our sweet industrial water to the methanisation plant, thereby fuelling the production of biogas. The methanisation plant will also receive waste fruit and vegetables and other agricultural waste from regional players.

OPTIMISING OUR STOCKS AND FLOWS

We are committed to optimising our production rates and logistics by means of efficient technical installations and IT tools. The objective is to reduce our carbon emissions, including by reducing food waste and optimising the use of our premises.

We are adapting our downstream logistics by choosing transport by truck for inter-European flows and shipping for the rest of the world (America, Asia, Africa, Oceania).

For the flows upstream of production, CÉMOI give precedence to maritime transport: the cocoa products leave Abidjan and arrive as close as possible to our manufacturing facilities: Port Vendres, Bègles, Dunkirk, Szczecin. For inter-factory travel and transport between our warehouses and our customers, we optimise our palletisation plans to reduce the number of journeys and by so doing reduce our emissions. For most of our voluminous packaging (plastic boxes, corrugated cardboard), we choose suppliers within a maximum radius of 200 km to limit transport costs and the impact on road transport.

We are also developing logistics pooling projects with other food processing companies, which involves delivering goods to one or several recipients from the same warehouse and in the same truck. Since 2017, CÉMOI has been taking part in a pooling project with Mondelez, Nutrition & Santé and Carambar & Co. from a multi-client storage site north of Orléans.



OUR COCOA WILL TRAVEL BY SAIL!

In 2022, CÉMOI will inaugurate the freight sailing ships of the Brittany-based company TOWT (TransOceanic Wind Transport) to transport its cocoa. Ultimately, 12,000 tonnes of CÉMOI cocoa will leave Côte d'Ivoire and arrive by sail at the port of Le Havre, saving 1,500 tonnes of CO₂ per voyage.

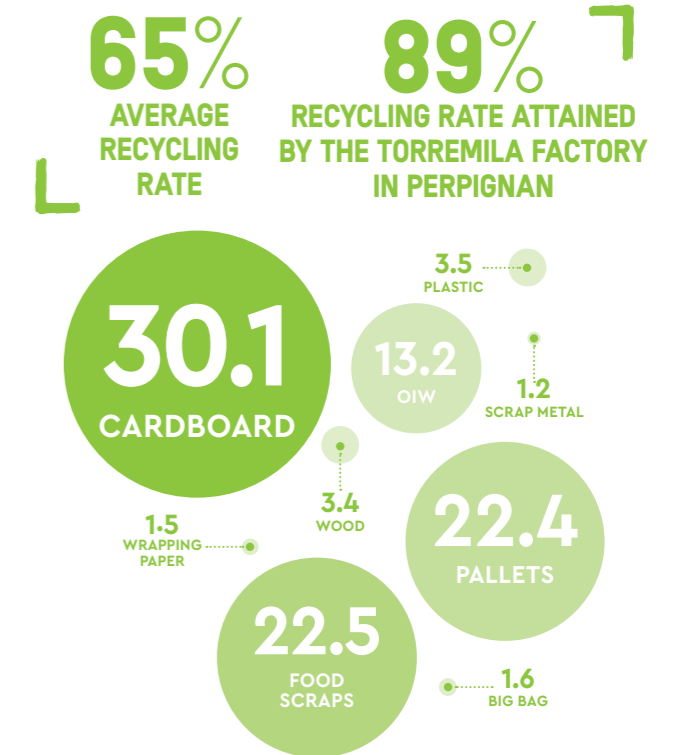
“ GUILLAUME LE GRAND, CO-FOUNDER OF TOWT

Turning a (drastically) decarbonised logistics solution into a commercial lever and adding value to a high-quality product is certainly the most effective way a company can decide to take the necessary – and urgent – steps for building a more sustainable world. Of course, by filling our vessels as part of a long-term project and making them a part of its strategy, Cémoi is providing rock-solid support for us. We will not forget it. ”



SOUND MANAGEMENT OF OUR PRODUCTION WASTE

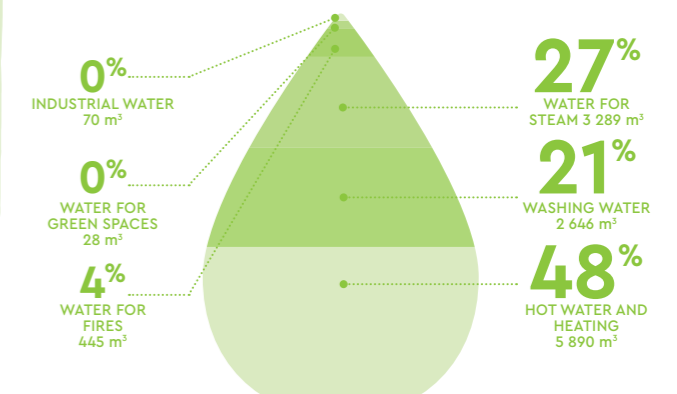
To recover as much of our production waste as possible, we will continue to develop recycling at our sites, paying special attention to plastic.



MEASURING OUR WATER CONSUMPTION

We accurately measure the volume of water used by each of our production sites to identify ways of reducing water consumption. The great disparity between sites is explained by the use of water in processes and the rinsing carried out in certain factories.

107,368 m³ of water were used by the CÉMOI Group in 2019, an 8% reduction compared with the previous year.



BREAKDOWN OF THE TYPE OF WATER CONSUMPTION IN M³ (ACTUAL 2019 FIGURES FOR THE TORREMILA PLANT).



3 REDUCING THE IMPACT OF OUR PACKAGING

While essential for ensuring product quality and conservation, the packaging produced by the food industry represents a major issue owing to the use of the raw materials that go into making it, its impact on biodiversity and the pollution it causes when improperly managed at the end of its life cycle. This is why CÉMOI is conducting numerous R&D projects to reduce the volume of packaging it uses and to opt rather for recyclable, reusable or compostable alternatives.



OUR OBJECTIVES UP TO 2025

- TO ACHIEVE 100% RECYCLABLE, REUSABLE OR COMPOSTABLE PACKAGING FOR ALL CÉMOI BRAND PRODUCTS

REDUCING THE ENVIRONMENTAL IMPACT OF OUR PACKAGING

To protect and ensure the proper conservation of its products, the CÉMOI Group uses various types of packaging. The materials used are mainly rigid and flexible plastics, paper, cardboard and aluminium. We have put in place a formal packaging quality policy comprising all our commitments, positions and requirements in relation to packaging. Specifically, we have taken the following measures:

- Use of at least 75% of recycled fibres in our overpackaging;
- Use of FSC cardboard or paper for our packaging. This is made from fibres from sustainably managed forests which meet FSC traceability requirements along the entire production, processing and marketing chain;
- Eliminate PVC from packaging;
- Eliminate mineral inks from our packaging.

To improve the environmental impact of our packaging, CÉMOI's packaging development team has integrated eco-design criteria into their approach and are working to make our packaging more recyclable. The objective is to achieve 100% recyclable, reusable or compostable packaging by 2025.

79% OF RETAIL PACKAGING RECYCLABLE, REUSABLE OR COMPOSTABLE TO DATE

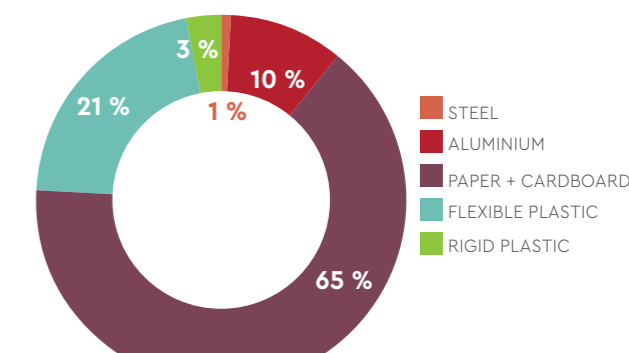


AN APPROACH CO-CONSTRUCTED WITH OUR STAKEHOLDERS

We are convinced that our approach to packaging has to be co-constructed with our stakeholders:

- We share our vision and our R&D work with our customers to integrate them into this dynamic of progress;
- We make our end customers more aware of good waste-sorting practices by communicating on our packaging. Since 2014, for example, the Tri Point Vert sorting information features on all our packaging. This informs consumers of the sorting instructions for each component of our product packaging;
- We participate in working groups on packaging. For example, CÉMOI is involved in a project to design a flexible plastic film which is 100% recyclable while still maintaining its UV and gas-barrier properties. This project led by CITEO and Alliance 7 (the grocery sector federation) brings

together several other players in the agri-food industry, including Bouvard, Valrhona and Cafés Richard.



BREAKDOWN OF PACKAGING MATERIALS FOR OUR RETAIL PRODUCTS]

OUR MEMBERSHIP OF CITEO ENABLED US IN 2019 TO...



1 • PREVENT THE EMISSION OF 391 TONNES OF GREENHOUSE GASES (CO₂)

> equivalent to the emissions of 219 cars per year



2 • FINANCE THE RECYCLING OF 4,322 TONNES OF PACKAGING



3 • FINANCE WASTE SORTING FOR 80,237 INHABITANTS

> equivalent to the population of Pau.





TERRITORIAL ANCHORAGE

1. A DRIVING FORCE OF THE ECONOMIES IN OUR REGIONS - P.21
2. SUPPORTING THE PRODUCERS - P.23
3. COMBATING CHILD LABOUR - P.25



Over the years, the CÉMOI Group has developed a strong regional attachment to the iconic locations of its production chain. This is why CÉMOI is committed to being a driving force in its economic relations with its partners in the regions where it is present.

This commitment is illustrated first and foremost by its work on fair remuneration, especially in the cocoa sector, aimed at guaranteeing all its producers a decent income enabling them to live and to invest in the long term.

CÉMOI also attaches great importance to conducting ethical trade relations, above all by excluding the worst forms of labour from its value chains in accordance with the recommendations of the International Labour Organisation.

Lastly, CÉMOI plays a role in the support and development of local economies by creating value in the areas where it is present.

1. A DRIVING FORCE OF THE ECONOMIES IN OUR REGIONS

ESSENCE IN FRANCE AND FRENCH EXPERTISE

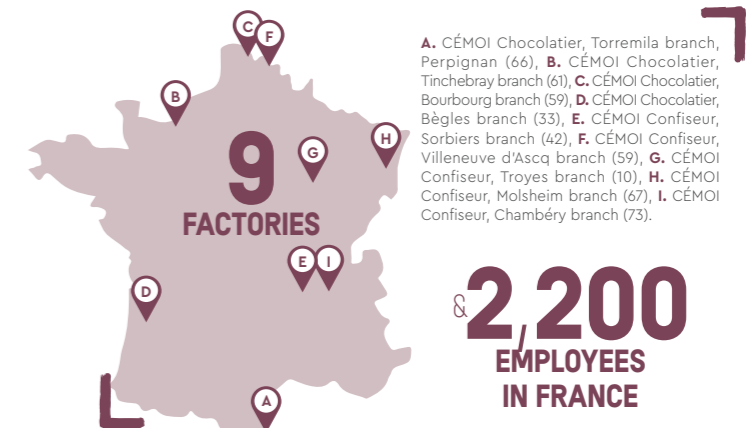
France, the home of the culinary arts, possesses unparalleled mastery of chocolate-making skills perpetuated by CÉMOI. French chocolate is rich in cocoa and can be distinguished by its singular aromatic notes, the result of its origins and terroirs.

This characteristic is explained by the expectations of French consumers, who like chocolate with high cocoa content. CÉMOI has mastered all the stages in the chocolate-making process and pays tribute to time-honoured French specialities, with ganaches, truffles, *mendiants* – chocolate disks with nuts and dried fruits – orangettes and papillotes, at the same time perpetuating the tradition of high standards.

200 YEARS OF CHOCOLATE WITH THE FRENCH TOUCH

The chocolate with the "Made in France" label is also the heir to 100% French chocolate expertise. The Group was built by successively acquiring local French factories, each of which in its own way marked a turning point in the history of chocolate. The Group's first chocolate factory was established in 1814 in the Pyrénées Orientales.

Since then, the CÉMOI Group has expanded, with the acquisition and construction of several chocolate factories throughout France. From Perpignan to Villeneuve d'Ascq, CÉMOI employs more than 2,200 people all over France to offer the best of chocolates with the French touch.





GRADUAL RELOCATION OF SUPPLY CHAINS

In a context in which the question of the resilience of supply chains and the economies of regions and companies is more important than ever, today CÉMOI is determined to gradually relocate its supply chains, and for the long term.

We have set ourselves the objective of mapping our purchases of raw ingredients in order to establish a more sustainable and local supply strategy from 2021 onwards.

FOR THE FISCAL YEAR 2019/20, OUR SUGAR WAS

90% FRENCH-SOURCED

ON THE BASIS OF SPECIFICATIONS THAT INCLUDED ECO-FRIENDLY CRITERIA (CSR CRITERIA).



Today, we already source French milk for our CÉMOI Organic Gourmet Milk Chocolate and Hazelnut tablets.



PARTNERSHIPS TO SUPPORT LOCAL DYNAMICS

CÉMOI is setting up partnerships close to its different locations to be part of the regional economic, academic and cultural dynamics.



• **QUALIMÉDITERRANÉE:** Since June 2013, CÉMOI has been involved in Qualiméditerranée, France's third-largest technology cluster and a reference agrotechnology centre in the Euro-Mediterranean region. This supports multidisciplinary projects in partnership with key players in the region.



• **PERPIGNAN UNIVERSITY:** CÉMOI has committed to taking a €40,000 stake in the capital of the UPVD Foundation over four years and is a founding member. This involvement is helping fund educational support projects for students who are high-level athletes, promote students' work through travelling exhibitions and build an "incubator hotel for innovative businesses", for example.



• **AREA OCCITANIE:** CÉMOI is a member of this body and is involved in numerous activities of AREA OCCITANIE, a regional association of agri-food businesses which enables them to get to know one another better and share their business development experiences.

• **TOURISME GOURMAND:** The CÉMOI shop, which is located next to the Group head office, is a founding member of the *Tourisme Gourmand en Occitanie* association, set up in 2017. The aim of this association is to promote excellence in local products and gastronomic specialities from the Occitanie region.

STRENGTHENING THE REGIONAL ECONOMIC FABRIC

Internationally, the Group also contributes to the creation of direct employment and economic activity through its subcontractors and suppliers. It generates indirect employment and stimulates regional business activity through training and skills-sharing, supporting local businesses and through partnerships.

In 2013, we opened a final processing plant for cocoa in Abidjan in Côte d'Ivoire. In a country where most of the cocoa produced is exported, our factory is a genuine source of job creation and local value. **Today, this factory employs nearly 1,000 people and produces nearly 100,000 tonnes of cocoa.**

To date, we have also opened seven fermentation centres close to the farming communities. The aim is to maximise the aromatic quality of the cocoa beans in the Excellence supply chain by fermenting and drying them on site. These fermentation centres are today sources of local employment, but also a means of developing new technical know-how for our employees.



2 SUPPORTING THE PRODUCERS

AN ASYMMETRICAL COCOA INDUSTRY WITH MAJOR DIFFERENCES BETWEEN UPSTREAM AND DOWNSTREAM SEGMENTS

The cocoa industry is subject to historical economic factors that play a very significant role:

- **UPSTREAM:** numerous, often isolated cocoa growers, sometimes organised in cooperatives, but who do not have the clout in relation to the buyers to establish balanced commercial negotiations.
- **DOWNSTREAM:** a strong concentration of large industrial groups (traders and chocolate manufacturers) and distributors who reap most of the added value.

Owing to its intermediate size, CÉMOI is an exception and aims to capitalise on the agility that this size imparts to improve the income and living conditions of the farmers in its supply chain.

There is currently no global mechanism for regulating prices or volumes. In Côte d'Ivoire, the world's leading cocoa producer, the price set by the state was CFAF 825 (1.25 euros) per kilo for the 2019/2020 season (compared with CFAF 750 the previous season, an increase of 10%).

However, this floor price does not allow the majority of cocoa growers to earn a decent living income.

With its *Transparence Cacao* programme, CÉMOI has chosen to develop its own support model for the sector by providing better remuneration and technical support to distribute value along the chain more fairly, improve the quality of life of the farmers and accelerate the use of sustainable agricultural practices.



1/ Farm gate price of cocoa - Source: Conseil Café-Cacao http://www.cafecacao.ci/index.php?option=com_k2&view=item&id=1022:campagne-intermediaire-du-cacao-2019-2020-le-prix-bord-champ-du-cacao-maintenu-a-825-f-cfa/kg&Itemid=18



A PRICE CO-CONSTRUCTED WITH OUR STAKEHOLDERS

CÉMOI is committed to raising the floor price of cocoa, which is set by the Ivorian government and debated at Conseil Café-Cacao, the body in charge of regulating, stabilising and developing the cocoa sector.

Furthermore, CÉMOI uses various levers to create more value in the sector and improve cocoa growers' income by paying bonuses (*Transparence Cacao*, and *Quality*) and providing training and support in the field.



TRANSPARENCE CACAO BONUS

This bonus is calculated so as to provide additional remuneration to cover some of the costs related to the farmers' efforts to improve their farming practices. It includes the following:

- **30% Farmer and cooperative bonus, 20% Traceability & Infrastructure costs, 15% Technical supervision, 10% Targeted training for farmers, 5% Development projects, 10% Agroforestry projects, 10% Monitoring & field audits**

Ultimately, the purchase price for cocoa paid to the farmers by CÉMOI under its programme is 15-25% higher than the price set by the Ivorian government.



SUPPORT FOR THE COOPERATIVES

Through its Transparence Cacao programme, CÉMOI is committed to supporting cooperatives, which are of key importance in developing local skills and a sound financial base.

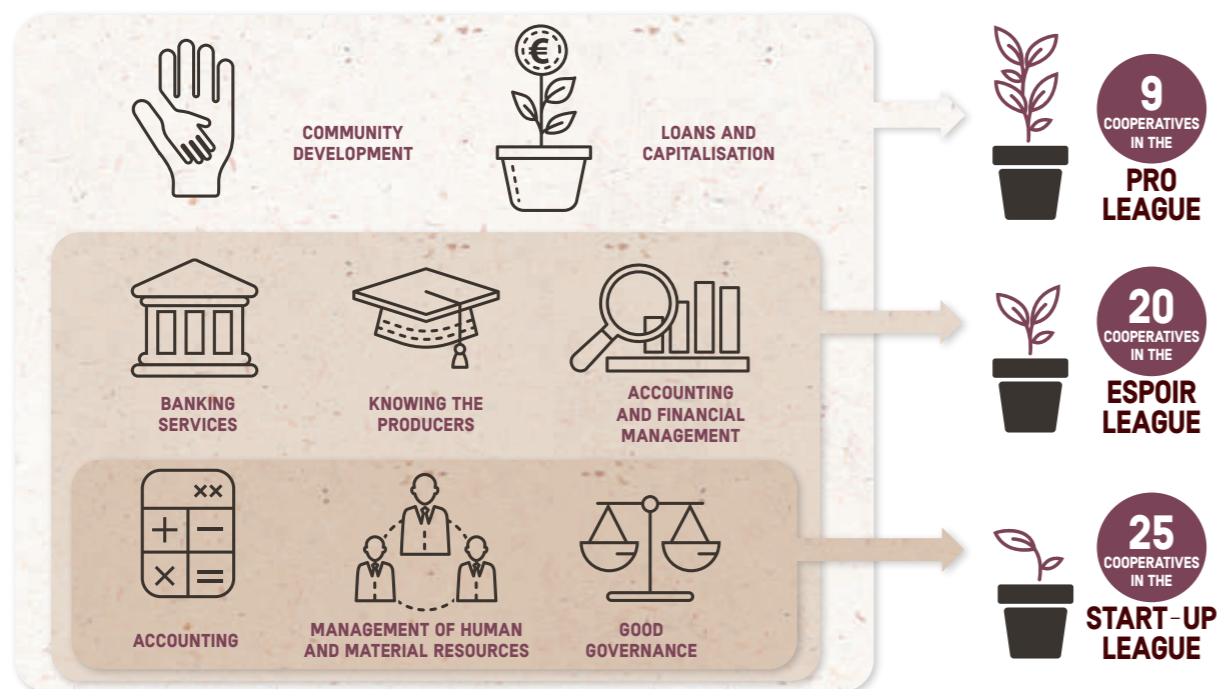
The programme promotes an efficient and privileged relationship between cooperatives and farmers, sharing technology and know-how within this network.

In 2020, the programme provided support for some 100 cooperatives and cocoa suppliers.

CÉMOI has grouped the cooperatives into three leagues: Start-Up, Espoir and Pro, based on criteria of structure, relationship with the farmers, governance and reliability. For each type of league, an appropriate training programme has been set up aimed at building capacity and developing services to the growers.



Besides providing training in good agricultural practices, CÉMOI also supports capacity-building in the cooperatives.



TESTIMONIAL BY ANE TAKI MARC



I am a farmer and a member of the CEAKO cooperative in Touih. I have known CÉMOI since 2008 and the Transparence Cacao programme since 2016. This programme has taught us a lot through training courses, where we learned how to lead a group, solve problems and conflicts, and how to set up a proper accounting system, efficient management and better organisation. We also receive regular coaching. The programme takes into account all the aspects of developing cocoa farming. The real problem for farmers is how to manage their income: we have set up bank accounts. We have training for young people, schooling for our children, and protection of the environment to combat climate change. Technical partners provide training and guidance for the cooperatives. It's a comprehensive programme but we need more funding from CÉMOI to set up additional activities.



3. COMBATING CHILD LABOUR

CÉMOI firmly condemns forced labour, child slavery and any practice that exploits children or exposes them to dangerous conditions.

Communities have various levers to prevent child labour. One of the main ones is the empowerment of producers through education, as well as the diversification of their income – although this is made difficult by a context of instability and low prices.

The Transparence Cacao bonus, which makes the work of the cocoa farmers more financially rewarding by providing better remuneration, allows them to invest in their children's schooling – and is the most effective means of combating financial vulnerability and undeclared labour.

To back up this measure, CÉMOI has adopted a child labour prevention plan aimed at raising awareness, monitoring the situation in situ and prevention.

COMMITMENTS ACKNOWLEDGED BY CERTIFICATION LABELS

- **ORGANIC AGRICULTURE:** the development of organic cocoa is economically structuring for the sector. Paying significantly better than conventional cocoa, it is a lever for re-establishing virtuous spirals among farmers. Moreover, on the French market, 84% of imported organic-certified products are also fair trade². Through our supply chains, especially in Ecuador, the Dominican Republic, Peru and São Tomé, we have developed an organic and fair-trade cocoa supply chain with Biopartenaire certification (compliant with Fair For Life standards);
- **RAINFOREST ALLIANCE, UTZ AND MAX HAVELAAR/FAIR TRADE:** These labels reinforce CÉMOI's commitment to sustainable cocoa growing for selected products;
- **C'EST QUI LE PATRON: THIS SELF-STYLED "CONSUMERS' BRAND"** allows consumers to draw up the requirements of a product. In October 2018, CÉMOI launched three products co-developed with consumers. These guarantee remuneration that allows the farmers and cooperative to be paid a decent, stable price, i.e. around 20% more than the price set by the state.
- **FAIR FOR LIFE:** All CÉMOI's organic cocoa is certified Fair For Life. This certification label guarantees:
 - Respect for human rights and dignified working conditions;
 - Respect for ecosystems, the promotion of biodiversity and sustainable farming practices;
 - Contribution to local development.



^{2/} Source: Commerce Equitable France <https://www.commerceequitable.org/le-commerce-equitable/quelques-chiffres/>



PREVENTION OF CHILD LABOUR

- Transparence Cacao is involved in the Transform Education in Cocoa Communities (TRECC) programme launched by the Jacobs Foundation, which aims to help more than 100 schools and 200,000 children and adolescents by 2022 by providing financial and technical support.
- Transparence Cacao also prepares families for the handing down of plantations between generations through the Family Farming Schools (FFSs), in order to better combine compulsory schooling and family work on the plots (in partnership with the NGO IECD).





QUALITY PRODUCTS

1. IMPROVING TRACEABILITY, A GUARANTEE OF RESPONSIBILITY AND QUALITY - P.27
2. GUARANTEEING FOOD SAFETY - P.30
3. DEVELOPING THE NATURALNESS AND NUTRITIONAL PROFILE OF OUR PRODUCTS - P.31



Driven by its passion for chocolate, CÉMOI has the quality of its products at heart at all times, carefully selecting cocoa beans and working to improve its recipes.

The quality of CÉMOI chocolate starts with the production of its essential raw ingredient, thanks to a strict three-stage programme of cocoa traceability that enables us to meet the requirements of our various customers and guarantee aromatic quality.

In its recipes, CÉMOI is committed to improving the nutritional quality of its products, notably through the Clean Label programme, by eliminating additives and ultra-processed ingredients.

1. IMPROVING TRACEABILITY, A GUARANTEE OF RESPONSIBILITY AND QUALITY

The Transparence Cacao programme is based on an exemplary traceability model which is one of the Group's priority objectives and deserves recognition.

This traceability is made possible by selecting beans out in the field, supervising quality throughout the production chain, and testing. In this way, the Transparence Cacao programme helps separate the different flows of different-quality cocoas more effectively, thus guaranteeing the integrity of its different cocoa ranges.

Since December 2014, 24 field officers, 5 supervisors and 1 project manager have reached out to our partner cooperatives to meet with farmers.

Two years into the implementation of the Transparence Cacao programme, the phase of digitalising cocoa traceability began, with the deployment of the MINKA software tool. Developed by Ecotierra, MINKA is first and foremost a database in which the socio-economic, geographical and legal information requested during audits is collected. We have also digitalised the farmers' knowledge base and the mapping of plantations in our internal supervision tool, CEMONITOR. This information allows us to monitor the development of the plots and to measure the impact of the Transparence Cacao programme.

This data is currently made available to our teams and technical partners and will eventually enable us to send information back to the cooperatives and farmers, thereby promoting a more collaborative form of work.



OUR OBJECTIVES UP TO 2025

- ACHIEVE TRACEABILITY BACK TO THE COOPERATIVE FOR 100% OF THE SECTOR (PRÉFÉRENCE RANGE)
- ACHIEVE TRACEABILITY BACK TO THE FARMER AND SUPERIOR AROMATIC QUALITY FOR 30% OF THE SUPPLY CHAIN, (EXCELLENCE RANGE)
- ACHIEVE GEOLOCALISATION FOR 100 % OF THE FARMER'S PLOTS IN OUR SUPPLY CHAIN



THE TRANSPARENCE CACAO PROGRAMME OFFERS 3 RANGES OF COCOA TO SUIT OUR CUSTOMERS' NEEDS:



RÉFÉRENCE

QUALITY COCOA produced by traditional cultivation methods and backed by the Référence charter, a responsible purchasing charter applicable to all our cocoa which guarantees a standard quality base and traceability to the factory.

60 %
OF TOTAL SUPPLY



PRÉFÉRENCE

REGULAR QUALITY COCOA made from beans carefully sorted and selected at source by farmers trained in good agricultural practices, guaranteeing traceability to the cooperative. CÉMOI buys directly from the cooperative and the quality bonus is paid to the cooperative, which redistributes it to the farmers.

30 %
OF TOTAL SUPPLY



EXCELLENCE

FINE COCOA which expresses its personality to the full thanks to a fermentation and drying process which is carefully controlled thanks to the creation of fermentation centres, guaranteeing first-class aromatic quality and traceability to the farmer. CÉMOI buys directly from the farmers, who therefore receives the quality bonus themselves.

10 %
OF TOTAL SUPPLY



From selection to fermentation, we place our entire expertise at the service of the cocoa supply chain to bring out the different aromas of each rich terroir.

CÉMOI COMMITMENT ON AROMATIC QUALITY:

- Increase the share of **Préférence cocoa**, which guarantees aromatic quality and a high level of professionalisation among the cooperatives;
- Increase the share of **Excellence cocoa**, which guarantees superior aromatic quality and an excellent level of professionalisation among the cooperatives;
- Increase the number of **geolocalised plots** to guarantee good agricultural practices.

To enable us to achieve these commitments, we plan to continue developing cut tests. These controls carried out on the cocoa beans bear witness to the perfect command of the fermentation process for the Excellence cocoa beans in our centres. The excellent results of the cut tests as regards taste are confirmed by the reports of expert panels. These clearly demonstrate that the aromatic development of Côte d'Ivoire Excellence cocoa has attained a level of organoleptic quality equal to that of fine cocoa.



JEAN-MARC LAURENS, CÉMOI R&D QUALITY DIRECTOR

“The aromatic profile is built up along the entire length of the supply chain, from the cocoa to the chocolate. CÉMOI works directly with the farmers and cooperatives to select quality beans and control the fermentation process. These two stages alone account for 50% of the final aromatic note, which is then complemented by the recipe and our chocolate-making know-how. The presence of the CÉMOI teams in the field is the key to this success.”



SABINE QUINTANA, QUALITY MANAGER, COCOA R&D

“CÉMOI AT THE COCOA AWARDS Excellence cocoa from the Côte d'Ivoire TRANSPARENCE programme presents aromatic notes characteristic of fine cocoa. The work of the farmer, overall quality and mastery of the process of transforming cocoa into cocoa paste were honoured at the 2019 edition of the International Cocoa Awards. A sample from the DIVO fermentation centre was selected from among the 223 samples from 55 countries. We are already preparing for the 2021 edition of this prestigious global competition highlighting the know-how of the farmers and the diversity of cocoa flavours throughout the world.”



NB: The organically farmed cocoa and cocoa marketed under other private labels comes from the Préférence and Excellence ranges.



2. GUARANTEEING FOOD SAFETY



The objective of food safety is to ensure the absence of health risks and guarantee food quality with the ultimate aim of protecting the health of consumers. In the interests of greater food safety, CÉMOI takes

care to accurately monitor quality indicators as a means of constantly improving its processes and implementing corrective action.

QUALITY MANAGEMENT SYSTEM

All our processes are managed according to the HACCP (Hazard Analysis Critical Control Point) method for identifying, assessing and controlling food safety hazards.

In addition, all our manufacturing sites are certified to the international IFS standard and the BRC standard. Two sites have ISO 22000 certification. These certifications attest to the capability of our production sites to implement a quality management system that satisfies all food safety requirements and to regularly improve performance.

In the United States, the Food Safety Modernization Act requires companies manufacturing food for sale in that country to:

- Establish a food safety plan;
- Train preventive control measure officers, known as PCQIs or Preventive Controls Qualified Individuals.

To meet this requirement, the CÉMOI Group now has 15 PCQIs at its French factories and corporate headquarters and is in the process of drawing up the food security plan.



PROTECTING OUR PRODUCTS FROM INTENTIONAL HAZARDS

We have stepped up our risk analysis since the September 11 attacks. International standards, including the IFS, now include a Food Defence section to protect the food supply against intentional contamination or adulteration.

To meet this challenge, in 2013 we implemented a Food Defence analysis and drafted a food safety guide, which is directed and annually reviewed by the Food Safety Team Corporate/Factories.



3. DEVELOPING THE NATURALNESS AND NUTRITIONAL PROFILE OF OUR PRODUCTS



CÉMOI is committed to improving the nutritional quality of the products it uses in its recipes, notably through the Clean Label approach, which puts the emphasis on simple recipes with fewer ingredients.

A LASTING COMMITMENT

The nutritional challenge in our line of business is to offer products with the shortest possible list of ingredients, as well as limiting the use of additives as far as possible. As part of our efforts to transition to a Clean Label approach, in 2020 we intend to use a holistic nutritional assessment method to evaluate the quality of our product portfolio and further improve our recipes.

To date, and ahead of regulations, we have already removed certain controversial elements from our recipes:

- > TITANIUM DIOXIDE BANNED SINCE 2020, REMOVED FROM CÉMOI RECIPES IN 2018
- > AZO DYES
- > TRANS FATTY ACIDS
- > GMOS
- > SOY LECITHIN

We are also working to develop more natural substitutes for the remaining additives in our recipes. For example, we have been working on new flavours free of all nanoparticles as a substitute for additive E551.



OUR OBJECTIVES UP TO 2025: TO CONTINUE IMPROVING THE NUTRITIONAL VALUE OF OUR PRODUCTS

- IMPROVE THE NUTRITIONAL QUALITY OF OUR PRODUCTS
- 90% OF CÉMOI BRAND PRODUCTS MANUFACTURED ACCORDING TO OUR "ZERO ADDITIVES" POLICY
- CONTINUE DEVELOPING "PALM-OIL-FREE" CÉMOI BRAND PRODUCTS

RICHER PRODUCTS WITH IMPROVED NUTRITIONAL VALUE

Our products are first and foremost gourmet products, eaten for pleasure. Aware of the nutritional issues at stake in this category, we are therefore working actively with our teams and our industrial, retail and artisanal customers to reduce sugar content without resorting to alternatives that could prove more harmful to health. This means that in our research, we place the emphasis on the aromatic quality of our products, giving pride of place to nobler cocoa beans – the ultimate goal being to offer ever better taste while reducing sugar content.

14 CÉMOI BRAND PRODUCT REFERENCES DEVELOPED WITHOUT PALM OIL IN OUR CHRISTMAS 2019 AND 2020 RANGE

6 PRODUCT REFERENCES DEVELOPED USING ORGANIC FARMING METHODS BETWEEN 2019 AND 2020





FULFILLED EMPLOYEES

1. DEVELOPING OUR EMPLOYER BRAND – P.33

2. CSR CULTURE AT CÉMOI: SPREADING THE WORD - P.36



CÉMOI is able to conduct its business thanks to the men and women who contribute every day to the running of its operations. CÉMOI is therefore committed to putting in place the necessary means to be a committed, inclusive and exemplary employer.

Consequently, CÉMOI places the well-being, health and safety of its employees at the heart of its HR policy. The Group is also committed to supporting its employees throughout their career with the company by promoting their development.

Lastly, well aware that its teams are the best ambassadors of its sustainable efforts, CÉMOI is developing a strong internal CSR culture, one of the aims being to foster sustainable innovation in its products.

1

DEVELOPING OUR EMPLOYER BRAND

Employer brand means a company's strategy and identity in terms of human resources management. Today it is a lever of employer attractiveness and employee loyalty, which is why it has to meet the modern-day expectations of employees (search for meaning, positive impact, transparency, etc.). CÉMOI wants to develop its employer brand to offer a working environment that corresponds to the needs of its teams.



OUR OBJECTIVES UP TO 2025

- REDUCE ACCIDENTS AT WORK BY 20% TO ACHIEVE ZERO ACCIDENTS
- 100% OF NEW EMPLOYEES TAKE AN INDUCTION PROGRAMME
- 100% OF EMPLOYEES HAVE ACCESS TO A TRAINING PLAN

HEALTH & SAFETY PROGRAMMES

The company is working continuously to improve working conditions and safety. The objective is to reduce the frequency and severity of accidents at work by aiming for zero accidents.

In late 2017, all employee representatives and Human Resources managers were trained by a specialist consultancy firm to identify, prevent and combat psychosocial risks. The employee representatives and CÉMOI Group worked hand in hand to assess the psychosocial risks and draw up action and prevention plans.

In 2018, agreements on the prevention of occupational risks, including action plans up to 2021, were signed with the aim of integrating ergonomics into work practices, training and also equipment, and to better assess risks.

In 2018, we conducted a global audit of all the factories to assess, compare and exchange ideas and to establish a common roadmap for all the factories. By 2018, the frequency rate had fallen by 15% at our sites in France. This is the tangible result of work both at the human level – training, awareness-raising, reinforcement of personal protective equipment, leadership – and at the technical and financial level, with increased investment in this domain.

An HR manager and an elected representative from each site also received training on the prevention of sexist behaviour in 2019. They are the designated contact persons for this issue at their respective sites.



PROTECTING OUR EMPLOYEES' HEALTH

Regarding welfare insurance, 100% of the Group's permanent employees are covered by private health insurance as well as life and disability insurance with far more advantageous guarantees than those provided for by law.

In the particular case of Côte d'Ivoire, specific programmes for the benefit of CÉMOI employee have been in place for many years. The combat against HIV/AIDS is an integral part of our determination and policy to protect the health of all the staff at CÉMOI Côte d'Ivoire and their families. It was with this objective in mind that a committee to combat HIV/Aids was created in 2005. This is a programme of awareness-raising and voluntary screening for the employees, their partners, children over 12 years of age, service providers and the surrounding population.

MEASURING EMPLOYEE SATISFACTION

CÉMOI is a family business concerned with developing the best working environment for its employees. Today, CÉMOI intends to create a structuring programme enabling it to continue to guarantee optimal working conditions at all of its sites. Over the next few years, CÉMOI will work towards obtaining Great Place to Work certification, a certification process that helps measure employee satisfaction and define the most effective measures for achieving continuous improvement.

RECRUITING AND WELCOMING NEW EMPLOYEES

To date, CÉMOI has already carried out structuring measures concerning the recruitment and support of its employees.

In 2019, the Group recruited 163 employees on permanent contracts.

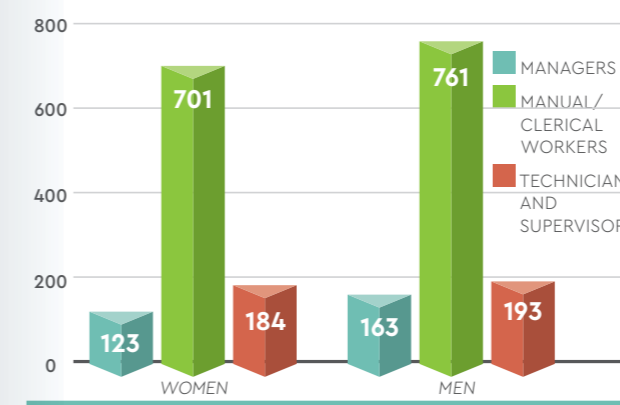
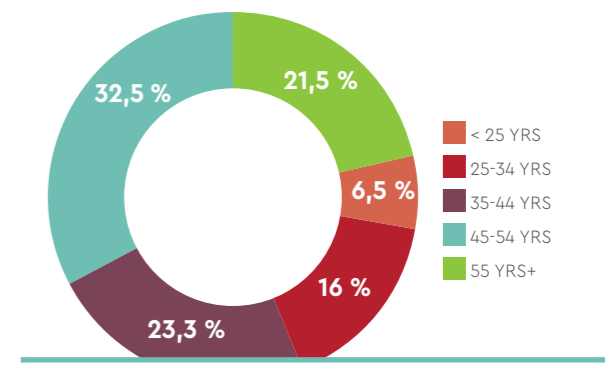
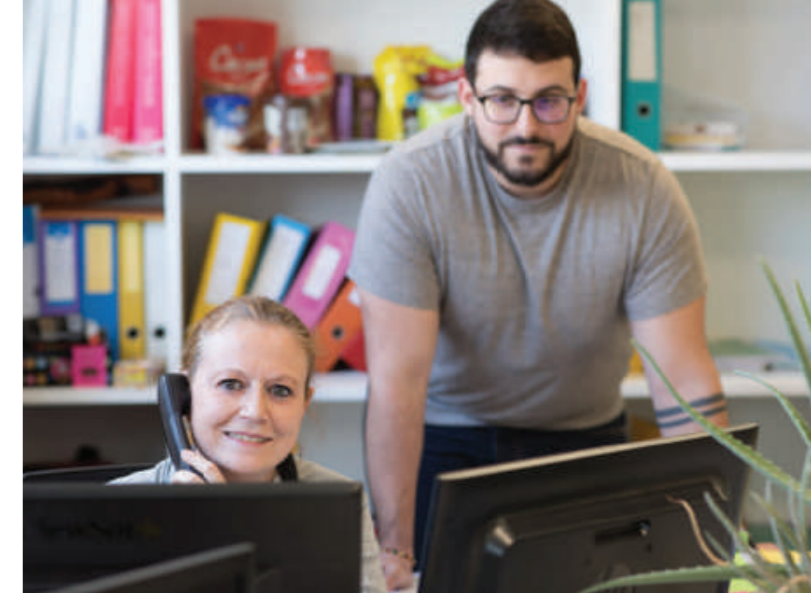
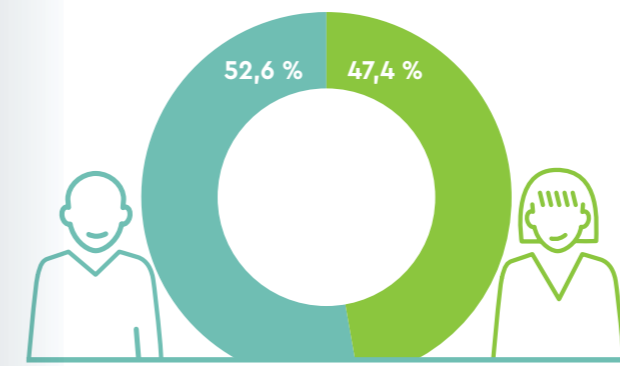
Each new employee follows an induction programme. This internal training day for all new recruits with open-ended contracts at CÉMOI sites in France is designed to reflect our values: sharing, innovation, commitment, passion. It also allows the new recruits to build contacts and talk in person with the members of the Group's Executive Committee, who lead the day's activities in person. By the end of this day of training, the Group's new recruits, whatever their function or status, have gained a better understanding of the company and its strategic direction, and become genuine ambassadors of its values.



EQUALITY, DIVERSITY AND INCLUSION

CÉMOI aims to be a company that takes up the challenges of equality, diversity and inclusion. To this end, in 2018 CÉMOI signed three-year agreements on people with disabilities and on professional equality between women and men.

1,117 MEN & 1,008 WOMEN



RECRUITMENTS	FIXED-TERM CONTRACT	OPEN-ENDED CONTRACT	SEASONAL
Managers	14	36	-
Clerical employees	26	10	3
Manual employees	117	77	1 262
Technicians and supervisors	36	40	3
TOTAL	193	163	1 268

SUPPORTING OUR EMPLOYEES

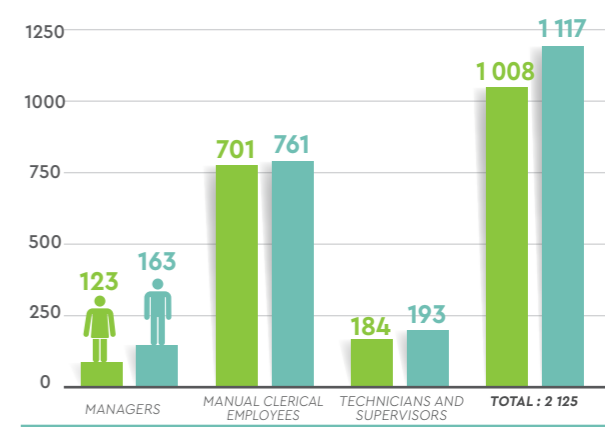
In 2019, the Group's Executive Committee gave the go-ahead for additional investment representing €600,000 per year for training over two years for all its locations in France.

Courses in production skills resulting in a recognised qualification, such as a CQP (*Certificat de Qualification Professionnelle*), form the core of the Group's training strategy. CQPs are a veritable workforce planning tool: they offer training modules in line with company needs and certify skills with a nationally recognised diploma.

In addition, under the Workforce and Skills planning agreements signed in 2018, CÉMOI aims in particular to pass on know-how internally within the Group. Three different levels of tutoring – Welcome Worker, Apprenticeship Manager and In-house Coach – have been created to address these issues of passing on skills to new recruits, apprentices or CQP interns, or to employees who are evolving professionally.



BREAKDOWN SEASONAL/PERMANENT STAFF AT 31/12/2019



365
NEW OPEN-ENDED AND FIXED-TERM CONTRACTS IN 2019

37,915
HOURS OF TRAINING > or 1,373 people trained

2,863
TRAINING MEASURES

1,796
HOURS OF TRAINING in the context of a CQP qualification and 273 hours of training for tutors to CQP candidates.



4 FULFILLED EMPLOYEES

2 CSR CULTURE AT CÉMOI: SPREADING THE WORD

Today, embodying the corporate social and environmental responsibility, commitments at the heart of its brand and corporate culture is a priority for the Group. By so doing, we wish to raise awareness of CSR among all our employees so that they make it a veritable focal point of their daily work within the Group and act as proud ambassadors of our approach.

PROMOTING EMPLOYEE COMMITMENT

The "Ambassadors" initiative set up in 2017 aims to encourage our employees' commitment to the Group's products and concerns and to enable them to share their know-how within the company.

In addition, our employees were invited to present their work at the Open Day held at the Torremila site on 3 June 2019, during Sustainable Development Week. On this occasion, the Group presented its CSR commitments and activities relating to green energy production and reducing its carbon footprint.

As part of the same "Ambassador" initiative, tasting sessions are organised twice a year at all the sites, giving employees the chance to find out about CÉMOI's know-how in terms of product innovation. In 2019, 2,410 employees took part in these convivial gatherings.

PURSUING OUR SOLIDARITY DRIVE

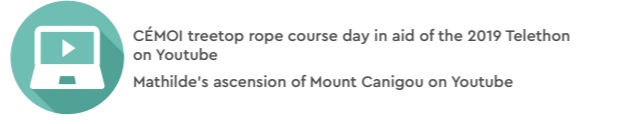
For the past eight years, CÉMOI has demonstrated its sense of civic responsibility and solidarity by supporting AFT Téléthon, a French national charity that raises money to combat rare diseases. Every year, a great solidarity drive is launched with a whole series of activities aimed at mobilising our employees to raise money. This historic commitment to the Telethon raised more than €15,000 this year, the result of a series of activities organised at the Group's nine factories in France: cake sales, sports tournaments, solidarity lunches, sales of CÉMOI products and a donation of 10% of the proceeds from the CÉMOI shop in Perpignan during the week of the Telethon.

Since 2011, more than €200,000 have been donated to AFM-Téléthon.



In 2018, more than 80 employees from the Torremila head office and site, accompanied by their families, walked with Telethon ambassador Mathilde to the summit of Mount Canigou – a magnificent human adventure and a feat for Mathilde, who had spent most of her life in a wheelchair until the doctors at the Myology Institute created by AFM Telethon found a treatment for her illness.

The outcome: 2 years after the start of the treatment, Mathilde climbed the emblematic summit of the Pyrénées Orientales, the Canigou, which peaks at 2,784 metres.



OUR MOBILISATION IN THE FACE OF THE CORONAVIRUS HEALTH CRISIS

CÉMOI carried out a large-scale operation for the benefit of healthcare personnel during the Covid-19 crisis. The Group donated more than 40 tonnes of chocolates to hospitals, fire stations and nursing homes for the elderly located near to CÉMOI's nine French production sites. This solidarity operation mobilised all of CÉMOI's teams, as well as its transport and logistics partners.

In addition, on 27 May 2020, CÉMOI Côte d'Ivoire made donations to partner cooperatives in its cocoa supply network. Some fifty cooperatives, representing around 30,000 cocoa producers, benefited from these donations worth 50 million CFA francs.




SANITARY KIT

Each cooperative received a sanitary kit comprising:

2,400 bars of soap	60 buckets equipped with taps for hand washing	600 reusable masks
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Also included in this sanitary kit were some 7,000 portions of chocolate spread and chocolate products made from the cocoa they supply.



MEASURING OUR PROGRESS

We have set ourselves an objective for more sustainable chocolate by 2025. To make sure we are progressing, every year we monitor a number of indicators related to the main areas on which our strategy reposes. We are also a signatory to the Global Compact and our efforts to improving sustainability are contributing to achieving the United Nations' Sustainable Development Goals (SDGs).

TRANSPARENCE CÉMOI	OBJECTIVES UP TO 2025	SUSTAINABLE DEVELOPMENT OBJECTIVES
1 PRESERVING THE ENVIRONMENT	Commitment to a 2°C trajectory	
	100% of our cocoa guaranteed "zero deforestation"	 
	100 % CÉMOI brand product packaging recyclable, reusable or compostable	
	30% of the energy we consume is from "green" energy sources (renewable and local) instead of fossil fuels	
	90 % of waste recycled	
	100% sustainable palm oil	
2 TERRITORIAL ANCHORAGE	Ethics charter signed by all our suppliers	 
	100% of our food purchases excluding cocoa subject to CSR commitments	
	99% of CÉMOI brand products made in France	
	Commitment to fair remuneration for our farmers	
3 QUALITY PRODUCTS	100% of cocoa mass traceable	
	90% of CÉMOI brand products manufactured according to our "Zero Additives" policy	 
	Improved nutritional value of products	
	Development of CÉMOI brand products which are "palm oil-free"	
4 FULFILLED EMPLOYEES	20% reduction in accidents at the workplace	 
	100% of new employees take an induction programme	
	100% of employees have access to a training plan	 
	All employees CSR-aware	

SDGS RELATED TO CÉMOI'S STRATEGIC OBJECTIVE

Below, we present the sustainable development goals to which CÉMOI is making a positive contribution + and those on which the Group is working to reduce their impact -



- 12.2 Sustainable management and rational use of natural resources +
- 12.5 Reduce waste generation -
- 12.8 Access to information necessary for sustainable development +



- 8.5 Achieve full and productive employment with decent work -
- 8.7 Eradicate forced labour and child labour + and -
- 8.8 Protect labour rights and promote safe and secure working environments -
- 8.10 Access to banking and insurance services +



- 15.1 Ensure the conservation, restoration and sustainable use of ecosystems -
- 15.2 Ensure the conservation, restoration and sustainable use of forests +

SDGS TO WHICH CÉMOI IS CONTRIBUTING THROUGH ITS CSR POLICY



- 1.2 Reduce poverty
- 1.3 Implement social protection systems



- 3.4 Reduce mortality from non-communicable diseases
- 3.9 Reduce mortality due to chemical substances



- 4.3 Fair access to education
- 4.4 Fair access to training with a view to employment



- 10.1 Income growth for the poorest
- 10.2 Empowerment and social inclusion



- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards
- 13.3 Improve education on adaptation to climate change



BEING OPEN TO OUR ECOSYSTEMS

In its concern to progress and question its achievements, CÉMOI has built numerous partnerships and forums for dialogue with its stakeholders

BUILDING SOLUTIONS THROUGH PARTNERSHIPS

Operating out in the field, CÉMOI works alongside organisations, associations and technical bodies to gain a better understanding of local issues and to co-construct solutions to them.

In the context of the Transparence Cacao programme, we have the support of technical, financial and commercial

partners such as the Ivorian National Agricultural Research Centre, GIZ, Rabobank, Système U, Ritter and Carrefour.

With the Cocoa and Forest Initiative we are also involved on a daily basis with the World Cocoa Foundation.



ACHIEVING CHANGE IN THE CHOCOLATE SECTOR

CÉMOI's President Patrick Poirrier has been president of the *Syndicat du Chocolat Français* since 2017. This is an association of nearly 60 companies – ranging from small family businesses to multinationals – which produce and market chocolate. These are primary and secondary processing companies, manufacturers of finished products, and chocolate shop networks with more than 10 shops.

Created almost a century and a half ago, the *Syndicat du Chocolat* represents 85% of the sector, 30,000 jobs, including 15,400 in production, and produces around 452,000 tonnes of chocolate.

The *Syndicat du Chocolat* is the pivotal inter-professional body for the sectors that use chocolate. Its objective is to accentuate French involvement in perpetuating a sustainable cocoa sector in partnership with the producing countries, and to promote traditions, product quality and excellence in the profession. Its mission is also to support companies on operational issues and to develop the know-how of the sector's employees.

OUR SUBSIDIARIES

GRYF POLAND

REDUCING FOOD WASTE

The measures launched in 2010 to reduce food losses are currently yielding very positive results.

At the time they were introduced, material losses stood at 4–5 tonnes a month, equivalent to 2–3 vats of unsold goods per year!

Strict measures were implemented:

- Constant monitoring of the amount of material losses generated by the site
- Identification of the sources of material losses
- Optimisation of the technological processes
- Improved maintenance of production lines
- Awareness-raising among employees (training and regular updates on material loss indicators)
- Inspection of the shelf life of the raw ingredients and finished products
- Improved purchasing policy

A new indicator was introduced in 2013 to allow better monitoring of food waste: losses = maximum 0.1% of production per year. For 2019, this indicator stood at 0.04%. This is a good result, but we have to be vigilant and work to continuously improve on it!



WASTE RECOVERY

The Gryf site has for many years been pursuing a policy of improving waste sorting efficiency. We have a specific indicator for this, which we share monthly with employees on our "Gryf info" channel. We apply the principle of "THE MORE WE SORT, THE LOWER THE COST OF WASTE". Our indicators prove how effectively we are recovering waste. We communicate them in an attractive way to our employees to make them aware of eco-friendly gestures and strengthen the virtuous circle.

ENERGY CONSUMPTION

We have been monitoring and analysing our industrial impact on the environment for many years and energy efficiency at the site is one of our key concerns. Every month, the results and ratios are analysed by the senior management and communicated to employees.

PACKAGING WASTE

In the first place, we try not to produce any packaging waste. Since this is not always possible, we have found a channel for recycling certain items of packaging, such as sugar bags. We have also worked on recycling the jute bags in which we receive the cocoa beans. We have set up a circular economy partnership with Thermo Natur (a manufacturer of insulating jute panels), which uses our damaged jute bags as a raw material.



OUR SUBSIDIARIES

OP CHOCOLATE - CARDIFF

ENVIRONMENTAL MEASURES

Active participation in the UK government's energy saving programme, which has enabled the site to reduce its energy consumption per tonne of manufactured product by 16% since 2007.

- Since June 2020, gradual renewal of the company's vehicle fleet with the purchase of hybrid or fully electric vehicles.
- Transition to sustainable palm oil since August 2020
- Improvement of on-site effluent management systems to reduce the impact of discharges into the environment (September 2020)
- Project to reduce packaging and/or switch to recyclable polyethylene, in collaboration with our clients.
- Transport optimisation, in collaboration with our customers and suppliers



SOCIAL MEASURES

Implementation of a gym membership programme at a negotiated price to help staff stay in shape;

- An employee assistance programme to promote and support well-being at work has been in place since September 2019;
- Provision of recharging points for employees' electric vehicles (October 2020);
- Creation of an on-site vaccination programme against seasonal flu (October 2020);
- We are currently working with our customers to reduce the sugar and calorie content of products manufactured on site (ongoing).



OUR SUBSIDIARIES

FRANKONIA - GERMANY



DEVELOPMENT OF SUSTAINABLE PRODUCTS WITH HIGH ADDED VALUE

A) HEALTH

1. Chocolate bars: Nutriscore A (Low sugar, low fat, high fibre, high protein, gluten free);
2. Tablets with no sugar added;
3. Allergen / Products with optimised tolerance (lactose free, gluten free).

B) SUSTAINABLE RECIPES

1. Vegan & Organic Chocolate (chocolate tablets and bars);
2. We use only UTZ / Rainforest Alliance-certified cocoa for Frankonia-brand products.
3. 100% of our palm oil is RSPO-certified.

Moreover, Frankonia has implemented an energy management system in accordance with ISO 50 001.

Frankonia is a member of GISCO, the German Initiative on Sustainable Cocoa.



CÉMOI

CHOCOLATIER FRANÇAIS



TRANSPARENCE CÉMOI CORPORATE & SOCIAL RESPONSIBILITY 2980 AVENUE JULIEN PANCHOT, 66000 PERPIGNAN

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