

Together, good becomes better

2020 SUSTAINABILITY REPORT





VALRHONA

live long

This year, we have chosen to create a shorter report than in previous years. Going forward, we aim to publish a long report every two years, and a shorter report every other year. While our comprehensive report remains an essential document for us, this change of format will enable us to lessen the workload on the 70-or-so contributors to our full report and to focus our resources in communicating about our sustainability work on other channels throughout the year. The shorter report will provide an overview of our actions and progress, with a focus this year on how together we have navigated the coronavirus pandemic. You can find further information about our commitments and all of our projects on our website www.valrhona.com.



live long
COCOA



live long
ENVIRONMENT



live long
GASTRONOMY



live long
TOGETHER

When reports of a mystery illness in China started to circulate towards the end of 2019, we could have hardly imagined how much our lives would change over the year to come.

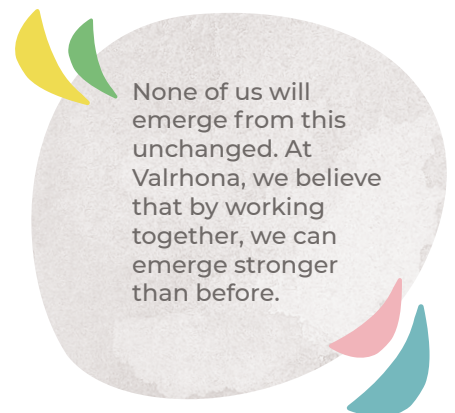
As coronavirus spread across the globe, a new reality took hold. We sheltered in our houses, physically distancing from friends and family, as shops, schools and restaurants closed down. We worried for our loved ones and for our livelihoods.

Covid-19 hit the gastronomy sector particularly hard, from producers to chefs. In 2020, restaurants, hotels and caterers across the world saw their revenues plummet, many shutting temporarily and some for good. As the pandemic has gone on, chefs have had to navigate through ongoing uncertainty. Throughout this crisis, we have been heartened by their capacity to adapt, innovate and to reinvent themselves. We want you know, artisans, restaurateurs and hoteliers, that you have Valrhona's fullest support to help you to do this.

For Valrhona, 2020 was a year of highs and lows. In January, we were proud to become B Corp certified and in doing so join a community of leading companies across the world working to use business as a force for good. Only a few months later, however, our activity across the world slowed the world as nations went into lockdown. By the end of the year, business began to pick up and we also achieved our 2020 goal of becoming carbon neutral in our chocolate factory.

While the road has been rocky, the coronavirus pandemic has thrown into relief the strength of the relationships we have built with our producers and clients over the years, as well as the commitment of our staff. It is thanks to all these people that make up Valrhona that we all are emerging from this crisis today. As we do so, we are as committed as ever to achieving our mission to foster a collective movement to create a fair and sustainable cocoa sector and a creative and responsible world of gastronomy.

In this difficult year, there have been real signs of hope. Increasingly, companies and governments are turning to sustainability and social justice as a way to not simply survive the crisis, but to build back stronger and fairer than before. The pandemic also appears to have also boosted pre-existing trends among chefs and consumers for good quality products that are local, seasonal and traceable. There is real momentum underway to ensure that tomorrow, gastronomy will do good and taste great. Our strategy and commitments remain unchanged, despite the pandemic, as we believe that it is these that will allow us to create a better future for us all.



OUR PROGRESS AND OUR OBJECTIVES



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COCOA

2020 PROGRESS



100%
of our cocoa beans
can be traced back to
the producer



36%
our cocoa beans
can be traced back
to individual plots



13%
of producer
countries were
visited on at least one
occasion over the
calendar year



98%
of our cocoa
purchases are made
as part of partnerships
with a minimum
term of three years



We work
with **15**
countries,
14 of which
are covered by a
long-term partnership



Our partnerships
have an average term
duration
of **7 years**



18 024
producers



OBJECTIVES

Continue to ensure
our cocoa beans are
100% traceable
to the producer

100%
our cocoa beans
will be traceable
from individual
plots by 2021

100%
of countries to be
visited at least once
every calendar year
by 2020

At least
90%
of our cocoa purchases
will be made as part
of partnerships with
a minimum term of
three years by the end
of 2020

Support
100% of
our producers
in adopting
agroforestry
techniques by 2025



live long
ENVIRONMENT

2020 PROGRESS

-57%
less greenhouse
gas emissions
(Scopes 1 & 2) as
compared with 2013



90%
of waste recycled



69%
of our energy
mix comes from
renewables



79%
of our packaging
is recyclable



100%
of new products
meet our ecodesign
criteria



-8%
reduction in the
amount of waste we
produce since 2013



-45%
less water used
compared to 2013



-22%
reduction in our
total energy
consumption
since 2013



-6%
reduction in CO₂
emissions linked to
air travel
since 2013



2025 OBJECTIVES

-60%
less greenhouse
gas emissions as
compared with 2013

100%
of waste
recycled

79%
of our energy
mix comes from
renewables

85%
of our packaging
is recyclable

100%
of new products
meet our ecodesign
criteria by 2020

-50%
reduction in the
amount of waste
we produce
since 2013

-50%
less water and
energy used
compared to 2013

-30%
reduction in CO₂
emissions linked
to air travel
compared to 2013



live long
GASTRONOMY

2020
PROGRESS

58
young people
2020



OBJECTIVES

100
beneficiaries
reached by
the Graines de
Pâtissier program
in 2020

40 %
young people start
a professional
culinary
qualification after
going through the
Graines de Pâtissier
program in 2020



48 %
young people
started a
professional
culinary
qualification after
going through
the Graines de
Pâtissier program



5
regions
in France have
participated in
the Graines de
Pâtissier program



10,000
trained
by l'École
Valrhona

IN 2021, we plan
to train 120 beneficiaries
and roll-out Graines de
Pâtissier to at least 10
locations in France.



live long
TOGETHER

2020
PROGRESS

20 %
of employees have a
CSR objective



OBJECTIVES

100 %
of employees
to have a CSR
objective by the
end of 2020



13% of
employees,
including
salespeople,
trained in CSR



This year, we
were unable to
carry our staff
satisfaction
survey due to
the Covid-19
pandemic



100 %
of suppliers
have signed our
Responsible
Purchasing Charter

10 +
lost-time
accidents

833
employees

417 | 419
women | men

€678,428
of donations
throughout the year



live long
COCOA

Creating a fair and sustainable cocoa sector



THE ISSUES AND OUR APPROACH

The cocoa sector faces major challenges, which is why we are building our ambitions around three major axes: improving living and working conditions, protecting the environment and preserving terroirs and flavor diversity.

Through our long-term partnerships, our knowledge of and close ties with cocoa farmers, our direct relationships with communities in 15 countries, we are committed to promoting fair incomes for farmers, fighting child labor, protecting forests and achieving carbon neutrality.

Every year, we improve our impact because we believe in empowering cocoa-producing communities. We know there is a long way to go but we are confident that we will be able to move things forward by working closely all players in the cocoa and chocolate sector.



**PROTECTING
THE ENVIRONMENT**



**IMPROVING LIVING
CONDITIONS**

Andrew Hastik,
Grenada Cocoa
Association, **Grenada** :
Valrhona has become
family to us.



Eimar Sampaio,
M. Libânio Agrícola SA,
Brasil :

Today we are experiencing a global problem none of us ever imagined. We are sure that it will pass and that we will be able to overcome it, strengthening the relations between Valrhona and M. Libânio Agrícola SA, and continuing to improve and surprise customers in our cocoa and chocolate supply chain.

Emily Stone,
Maya Mountain
Cacao, **Belize :**

These are unprecedented times and challenging for us all. We are proud, as always, to be Valrhona's partner and are so appreciative of your clear and frequent communication. We look forward to being in touch soon. In the meantime, wishing safety and health for all of you.



We remain alert to the impact of the pandemic health crisis on our partners. At the same time, we are committed to mobilizing our energy and resources towards achieving our long-term ambitions, the pillars of a fair and sustainable cocoa sector.



*By Véronique
Huchedé, Cocoa
Sourcing Manager*

The events of 2020 reminded us of the importance putting the needs of our cocoa producer partners at the heart of what we do, encouraging us to continue to strengthen the close relationships we have built together. The messages we received, and actions of mutual support that were carried out, have helped us to keep going throughout this crisis.

Valrhona's flexibility and efforts coupled with those of our partners have enabled us to together prioritize our actions, delaying certain long-term projects to focus on making crucial, urgent investments to deal with the Covid-19 crisis.

Here, we shine a spotlight on 3 such actions:



HAITI

Our partner cooperative, FECCANO, frequently takes out loans at the start of the harvest from social benefit enterprise SIDI (International Solidarity for Development and Investment). Its mission is to support the creation of a more inclusive economy that gives opportunities to disadvantaged populations, especially in the Global South. This year, although a line of credit was granted, the onset of the crisis meant that payment of funds was suspended. The direct consequence of this is that our partner was unable to pay the producers when they delivered their cocoa to the cooperative. We decided to pre-finance the harvest ourselves, as without this daily income, producers would not be able to feed their families.



IVORY COAST

In the face of the Covid-19 pandemic, which endangers the lives of the cocoa producers and employees at our partner cooperative CAPEGIC, we launched an awareness campaign in collaboration with the cooperative to help producers and their communities. We also distributed protective kits and food products.



PERU

Peru imposed a lockdown and declared a state of emergency very early into the pandemic. Our partner cooperative, Cooperativa Norandino, asked us for financial support to ensure food security for producers and their families. The funds, initially earmarked for ongoing development projects including eliminating illiteracy, have been reallocated to a wide-ranging drive through which we have:



• **Distributed** food packages (rice, sugar, oil etc.)

to 3,669 producers



• **Provided** medical supplies

to 3 community health centers

• **Improved awareness and implemented** procedures to combat the spread of the virus

in the cooperative's 17 coffee, cocoa and panela collection centers. This has enabled cocoa collection to continue, thus maintaining the communities' incomes.



live long
ENVIRONMENT

*Becoming carbon
neutral by 2025*



THE ISSUES

From growing cocoa to chocolate distribution and manufacture, every part of our value chain has environmental consequences – notably on the climate and biodiversity - which we at Valrhona are committed to minimizing. Addressing these impacts is essential to ensuring that we have a healthy planet for all in the future.



**CARBON
NEUTRALITY**



ENERGY



TRANSPORT



WATER



WASTE



ECODESIGN



OUR APPROACH

Our environmental policy sets out the company's ambitions for global preservation and carbon neutrality. In addition to the site's compliance with the latest environmental regulations, our environmental policy is accompanied by concrete actions such as waste control, the use of renewable energy and eco-design. Thanks to our ISO 14001 and ISO 5001 certifications, we are able to structure the way we manage the environmental impact and energy use in our operations and guarantee the quality of the systems in place. **Our driving focus is on becoming carbon neutral 2025.** We are now working to tackle our Greenhouse Gas emissions from plantation to plate, from eliminating the footprint of our factory and reducing transport related emissions to fighting deforestation and promoting sustainable agricultural practices.

In 2020

OUR CHOCOLATE FACTORY IS CARBON NEUTRAL



*By Elisande Bourry, Security
& Environment Manager*

This year, we achieved our 2020 aim of becoming carbon neutral in our chocolate factory. We have worked hard over the past few years to reach this goal: by cutting our CO2 emissions by 57% by 2020 in line with a 2°C pathway (compared to our 2013 baseline), reducing our energy consumption and significantly increasing our use of renewable energy. 2020 marked the first year since the centralization of our refrigeration systems, a development discussed in our 2019 CSR report, that had allowed us to reduce our energy use by 26%. In 2020, we also managed to cut refrigerant fluid leaks by 24% (vs 2019) as part of our policy to replace fluids with high global warming potential.

We chose to offset our remaining emissions by partnering with EcoAct to buy Verified Carbon Standard (VCS) carbon credits in the Madre de Dios project in Peru. Situated in the Vilcabamba Ambo conservation corridor near the ancient village of Machu Picchu, the project works to strengthen surveillance in the region and establish sustainable forest management practices. These actions help to reduce deforestation, the threat of displacement of local indigenous communities and illegal exploitation.

LA CONSIGNE BY VALRHONA



*By Alice Dux,
CSR project manager*

Last year, we unveiled ComeBac, our project to reimagine our packaging using circular economy principles. In 2020, we changed the project's name, though not its aim! Keen to take full responsibility for our packaging, we finally launched La Consigne by Valrhona in December 2020. Currently, six artisan customers in Lyon, France, are participating in the pilot: the pastry shop Les Gasteliers, the Bruno Saladino chocolate shop, and the Buisson, Pignol, Monk and Pépin boutiques. Since the beginning of December, these six establishments have received their Guanaja and Jivara chocolates in 6 kg plastic containers, which we collect after the chocolate has been used, and then wash and reuse. The feedback from customers has been overwhelmingly positive. Christophe Rasneur (Pâtisserie Les Gasteliers) sums up his experience well:



I find it much more convenient and more environmentally friendly than the bags, so it suits me really well



To date, we have sold over 700 kg of loose chocolate via La Consigne by Valrhona. Going forward, we plan to expand the project from June 2021, making 7 chocolate (4 dark, 2 milk and 1 white) available to over 100 Lyonnais customers. Our teams are now working on roll-out plans for the project across France, including collaborating with numerous re-employment partners and mobilizing other gastronomy players.

live long
GASTRONOMY

Supporting our customers in creating a gastronomy that does good and tastes great



**THE ISSUES
AND OUR APPROACH**

Food is one of life's great pleasures – sustaining us, transporting us and bringing us together for shared experiences. But today we're in the midst of a climate, biodiversity and public health crisis, crises for which the food system must shoulder significant responsibility. At Valrhona, we believe that the world of gastronomy can be the source of the solution. Chefs have the ability to create food culture - influencing how, what and when

people eat. It is this power that can be used to positively impact the planet, our diets and our future. Increasingly, chefs are taking action to integrate their social and environmental impact into their creations. Through Live Long Gastronomy, we aim to support them to do so, and together create a world of gastronomy that not only looks and tastes good, but that also does good too.



GENDER EQUALITY



THE ENVIRONMENT



HEALTH



GRAINES DE PÂTISSIER



By *Mélissa Fournaux*,
Graines de Pâtissier
project manager

Launched in 2017, Graines de Pâtissier gives young people between the age of 16 and 25 a professional opportunity in the pastry industry. The program allows young people to test what it's like being a pastry chef before committing to professional training, while also enabling artisans to train and recruit future talent for their team.

By 2020, our goal was to train 120 young people in 10 territories in France. However, the coronavirus crisis hit just as we were beginning the operational launch, forcing us to put the program on hold. Despite the difficulties of 2020, Valrhona and our national partners have remained active, committed and above all motivated. The 2020 results are very positive: 5 regions in France (Valence, Liévin, Moulins, Marseille and Lille) and 58 young people participated. Of these, 57% have started a professional diploma in pastry and other gastronomy professions.

In 2020, we also laid down the groundwork for professionalizing and scaling up Graines de Pâtissier. Our first step was to sign a national partnership with the national network of the Écoles de la 2e Chance charity ("E2C") with

two objectives: to structure and standardize the involvement of E2Cs across France, and to help improve the identification and recruitment of new partners for 2021 and 2022.

Following this, the Valrhona Foundation received a grant from the Caisse des Dépôts and the Ministry of Labor, which allowed us to maintain the level of involvement from each partner and, above all, to ensure program funding for 2021 and 2022. Buoyed by this long-term commitment, we signed a Consortium Agreement with the training centers that are partners and co-financers of the Graines de Pâtissier program. Lastly, to support the roll-out of new sessions, we have also simplified the way the program is organized, all the while maintaining a high level of quality thanks to the contribution of the Ecole Valrhona on pastry content and the E2Cs on educational content and support for young people.

2020 ended on high note for Graines de Pâtissier: the Valrhona Foundation was awarded a collaborative innovation prize by the organization Bref Eco!



L'ÉCOLE VALRHONA



By *Alexis Humeau*
from *L'École*
Valrhona

Covid-19 meant that l'École Valrhona was unable to deliver part of its professional training activities in 2020. We continued to try throughout the year, however, to offer gastronomy professionals as much support from l'École as possible to help them through this difficult time. Our chefs created recipes suitable for takeaway and produced video tutorials for our website and social media channels to help artisans and restaurateurs create the recipes themselves. In different countries across the world, we also hosted online exchanges between l'École, chefs and other industry experts on trending topics, as well as recipes and techniques in order to bring them solutions to deal to the new reality during the time of coronavirus.

In 2021, we plan to train 120 beneficiaries and roll-out Graines de Pâtissier to at least 10 locations in France.

live long
TOGETHER

*Fostering a collective
movement*



THE ISSUES AND OUR APPROACH

Valrhona is above all story about people. Beyond being just a chocolate company, our strength lies in the ties we create between producers, collaborators and customers. This was thrown in relief in 2020. By separating us, the pandemic showed us the importance of human connection. Over the course of the year, we have seen communities come together in the most difficult of times and we have found new ways to work and be together, even when we are separated. At Valrhona, our

suppliers, staff and clients stood by us during hard times. We too, did our best to offer our support to them in turn. It is these bonds that have enabled us to get through the past year, and that will ensure that in the future we will be able to help improve farmers' livelihoods and support clients to shape a sustainable and creative world of gastronomy.

In 2020

SUPPLIERS



By Mathilde Mazzella,
purchasing manager
(non-cocoa)

2020 has been highly unusual year, pushing us to scrap all of our initial plans in order to reinvent ourselves to deal with the health crisis and so continue to move forward. Throughout the year, we have kept in close contact with our suppliers by video and phone to ensure their good health and that of their employees.

Not all of our contractual commitments could be met on time and under the agreed terms, but we were able to find solutions to ensure the long-term sustainability of our respective activities. We were able to count on our suppliers during the stops and starts in our activity, sharing our uncertainties with them and taking risks together. We have also worked to adapt our plans to take into their downsizing or supply issues they may have experienced. Together, we have faced these challenges, drawing on a great deal of creativity to find solutions that work for us all. A huge thank you to all our suppliers who have been and continue to be great partners to us.

CLIENTS



By Benjamin Abadie,
Key accounts manager

With gastronomy in a such critical state, our priority in 2020 has been to support artisans and restaurateurs through the pandemic in any way we can. From March, we used our social media networks across the world to support and inspire chefs, from highlighting clients' initiatives to deal with the pandemic, to hosting online talks with chefs and industry experts to help professionals identify opportunities for their businesses to thrive.

In April, we created the Valrhona Cakewalk Map (also known as the Valrhona Pastry Map) to support local businesses, launching first in France and then in North America, Italy and the UK & Ireland. Through this interactive map, customers can find restaurants, bakeries and confectioneries that offer pickup or delivery in their area. By the end of 2020, 4100 businesses across the world were listed on our maps, and over 100,000 search requests for artisans via this map. Thank you to all of the chefs who helped us spread the word about the initiative.

To support artisans during lockdown and to enable them to capitalize on the French craze for home baking, in 2020 we also created Valrhona Ensemble, the first ecommerce site selling professional ingredients for home bakers that also supports artisans. The site offers all the products and accessories that professionals use so that people can make delicious pastries at home. Customers can choose to pick up their order from the chef of their choice's boutique, helping them in doing so to keep their business going. To date, 332 artisans are registered on Valrhona Ensemble and over 400 click and collect orders have been placed via the site.

As the year came to an end, we once again used our social media accounts in France to support artisans across the country via our December #JeSoutiensMonArtisan (#ISupportMyArtisan) contest. We asked people to post a photo themselves and their purchase in their favorite artisan's boutique to Facebook or Instagram for the chance to win one of 60 delicious prizes.



EMPLOYEES



SUPPLIERS



CUSTOMERS



LOCAL
COMMUNITIES



STAFF



By Catherine Riffard,
HR manager



The health and security our employees have long been a key focus for Valrhona. In the face of new risks posed by the coronavirus, we have worked to ensure that all possible safety measures are in place.

In February 2020 we set up a Covid-19 taskforce to manage our response to the pandemic and so enable us to protect our staff as best as possible.

Customer orders fell as coronavirus hit the gastronomy sector, forcing us to slow our activities and even put staff on furlough. We worked hard to support staff through these radical changes to their working lives. During this unprecedented period, we set a WhatsApp group for 830 employees to keep the team together. Our training managers also put into place the French government's FNE Training offer, enabling 70 people to benefit from professional training during this period.

When lockdown in France ended on May 11, our staff gradually come back to work. During this time, our health and safety teams worked with the members of the Health Safety Committee and with managers to define the health protocols with which we would now have to live. **The contribution of our teams to help meet the needs of the company has been exceptional.**

Since May 12, we have implemented strict health and safety rules in our offices and production sites: maskwearing for all, obligatory temperature checks when arriving on site, ensuring physical distancing between staff members and running internal communications campaigns around protective measures. While homeworking was already available at Valrhona before the pandemic, it has now become the norm for the majority of our staff. We have encouraged our staff to take essential office supplies home with them, including chairs and computer supports, to ensure that their working environments are as comfortable as possible. To ensure physical distancing, virtual meetings are the norm and in person meetings allowed only where we are unable to find another option. We have also reduced business travel to the bare minimum.

In such uncertain times, and with many working from home, it has been vital for us to keep our staff up to date with the latest developments and to make sure that they still feel part of the team, even at a distance. To do so, we have focused on ensuring regular, transparent communication. During the first lockdown, we did this via our company wide WhatsApp groups, moving this communication to email once staff began to return to work after the lockdown lifted. We also launched a regular video series "What's Up FSP", which continues to this day,

in which our CEO and board members shared information about Valrhona's performance and crisis management plans, as well as answering questions from staff. As of October 2020, the Valrhona executive team also runs a monthly webinar for all managers, in which they discuss the latest company developments, including performance and strategy, and also answer questions from attendees.

Overall, since the beginning of the pandemic, we have recorded 51 cases of Covid-19 at Valrhona, that is 6% of our workforce, and no hospitalizations. Thanks to the care and attention of our staff, as well the work of our health and safety teams, we also had no cases of workplace clusters.





COMMUNITY



*By Armelle Giammattei,
Director of the Valrhona
Foundation*

Throughout 2020, we tried to do what we could to support our local communities through difficult times. One way we did this was by donating chocolate directly to hospitals and community organizations, as well as to clients who were creating pastries for hospital workers. Valrhona teams across the world got involved: from France, Spain, Italy, the UK and USA, to the Middle East, Hong Kong, Singapore, China, South Korea and Japan. Over 90 hospitals, 30 local charities and 55 retirement homes received chocolate. We also provided chocolate to support other causes, notably the Solidarité Gourmande campaign in Japan to support restaurants hit by the pandemic, and to chefs participating the Bakers Against Racism movement in the USA.

In numerous countries, we further supported our community by raising funds for local charities. At L'École Valrhona Tain, bonbons and pastries created during client trainings were sold to Valrhona staff, raising €750 for charities in the area. In the USA, Valrhona partnered with the Food Recovery Network, donating \$1 for every 500g bag and \$2 for every 3kg bag of Raspberry Inspiration sold. In Hong Kong we donated €5 for every 3kg bag of Manjari 64% sold in December to Food Angel, an association fighting food waste and providing meals for low income families, and also partnered with the French Chamber Foundation to raise money to buy masks for elderly and low-income people. Meanwhile, in Spain, we donated €6000 to Cocina Conciencia, a

STAFF



*By Andrea Aguilar,
Accounting & HR Manager
at Valrhona Inc.*

The Black Lives Matter protests that swept the globe last summer shone a spotlight on systemic inequality and responsibility we all have in creating a more just society.

We are committed to fostering diversity and inclusion at Valrhona, so that everyone, no matter their walk of life, feels that they are valued and that they can contribute. Keen to go further this year, our North American branch, Valrhona Inc., launched a dedicated taskforce to identify, explore, and initiate positive ways to improve diversity, equity and inclusion (DEI).

Spearheaded by Andrea, Gaby, Cassie, Julia and Cordero, in 2020 the taskforce implemented a variety of actions, including training all staff in DEI and partnering with specialist recruiters. While Valrhona has for many years been a company committed to for which employees say they enjoy working, we know we still have a lot to do to ensure Valrhona is welcoming to all. This is why we will be working over the coming years to improve diversity, inclusion and equity across our business.

project helping disadvantaged young people into culinary professions. €3000 of this came from our "Sustainable Friday" campaign, where all profits from our Spanish ecommerce site Valrhona Collection made on Black Friday were donated to charity.



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