

BARONIE

Sustainability Report 2024



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Preface.

Over the past few decades, we have become a global operating group. We always have one mission in mind: to secure our future and that of the people operating in it.

We do so through prioritizing sustainable and responsible sourcing, preserving the environment, eliminating child labour, optimizing our energy consumption and waste management. It's because of this that we signed and published our Science Based Target initiative (SBTi) commitment in December 2023. We are proud to set ambitious, science-based targets that will guide our efforts to reduce greenhouse gas emissions and mitigate the impact of climate change. This commitment is not just part of our group's responsibility; it's a promise to actively contribute to a more sustainable and resilient world. Our world.

Because we believe that every bit(e) contributes to our mission, we use our company values as a compass. This report focuses mainly on 2023 but – to make sure that our readers have all the relevant information – we included all relevant developments since 2020 in this report. We have a couple of milestones to celebrate, such as:

- We published our SBTi commitment;
- Our own brands Schwarze Herren and Eszet entered Transparence Cacao's Excellence level;
- Our collaboration with the Netherlands Enterprise Agency (RVO) on a project tackling child labour in Cote d'Ivoire.

We look forward to continuing on our sustainable path and would like you to join us.

Fons Walder Sr.



Welcome to our world of chocolate.

Our group

The scope of this report includes Baronie Belgium NV, Baronie – De Heer BV, Baronie UK Ltd, OP Chocolate Ltd, Baronie Switzerland SA, Chocolat Alprose SA, Stollwerck GmbH and PPC GRYF SA with 10 production sites, 1 sales office and 1 warehouse in the following [6 countries](#): The Netherlands, Belgium, Germany, United Kingdom, Poland, and Switzerland. The locations in scope are marked blue in the visual below.



Key figures

Our passion for chocolate drives our ambition to continuously explore our role as global preferred partner.



Our history

1839

Stollwerk GmbH founded in Cologne, Germany.

1957

Chocolat Alprose founded in Ticino, Switzerland.

2011

Baronie procured Stollwerck, Chocolat Alprose and Chocolat Jacques as well as Kathy Chocolaterie.

2017

Glacio Group (now known as Belgian Ice cream Group) joins the group.

1896

De Heer chocolate factory established in Rotterdam, the Netherlands.

1982

Baronie acquired De Heer chocolate factory and called itself Baronie - De Heer.

2014

Baronie acquired the Belgian chocolate specialty manufacturer Duc d'O.

2021

A major milestone for the group: the Cémoi Group and Baronie become partners which opens doors for the group to full control of the global supply

1920

Baronie founded by the partners Barents, Roth and Nieuwenhuis.

1998

Baronie held 100% privately by current shareholder.

2015

Baronie UK founded with a production site in Corby.

Our brands

Our national brands offer a variety of distinctive flavours, each with its own authentic profile and heritage.



Our journey so far

2005

- Fairtrade certification

2011

- UTZ cocoa certification
- Hazelnut project Turkey
- Farmer Field Schools project in Côte d'Ivoire

2012

- Bio certification
- Forum Nachhaltiger Kakao

2013

- SEDEX membership
- RSPO certification

2015

- UTZ hazelnut certification
- PRO PLANTEUR project

2018

- Swiss Platform for Sustainable Cocoa

2019

- Beyond Chocolate

2020

- Start Ecuador project
- CO₂ assessment

2021

- Cémoi Group and Baronie become partners giving the group full control over the global supply chain and becoming partner of the Transparence Cacao programme
- Installation plant based line and V-label certification
- Cocoa certification of all our Baronie Belgium brands
- Paper / cardboard packaging material of Baronie brands 100% certified
- Revision Code of Conduct

2023

- Brands Schwarze Herren & Eszet join Transparence Cacao Excellence programme
- Start 4 year project implementation 'Strengthening child protection systems of cocoa cooperatives in Côte d'Ivoire'
- Climate SBTi commitment



Our value chain



Sourcing

It is essential for Baronie that we source our raw materials sustainably, considering the environmental, social and economic aspects of all stakeholders within the supply chain.



Transportation

Raw materials, ingredients and packaging materials are transported to our production sites.



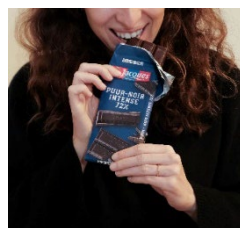
Manufacturing

We transform raw materials into high-quality and delicious products. We manufacture a wide range of private-label products, national brands, and happily co-manufacture products for other well-known international brands.



Retailers

Our products can be purchased through our trusted retail partners around the world.



Consumers

For more than a century we have been striving for quality and excellence in our products and this has generated many smiles, all over the world, along the way.

Did you know...

...that majority of the sweets that we produce are private label? We are responsible to produce these products as sustainable as possible. But it is up to our customers to choose a sustainable cocoa programme or certification for their products. For our own brands we can make this decision ourselves. For example, in 2021, we have started the preparations for our German brands Schwarze Herren and Eszet to enter Transparency Cacao's Excellence level. Besides that, the majority of our own brands use either certified or verified cocoa. Our goal is to reach 100% in 2025.

Challenges cocoa industry

Child labour

Unfortunately, despite the government's, the industry's and our best efforts, child labour is still a problem for our sector. Many cocoa farmers still rely on child labour due to, amongst other things, poverty and a lack of access to education for their children.

Low wages & poverty

Cocoa farmers often live in poverty, and until 2023, many of them earning less than the established living income benchmarks. Since 2023 the cocoa sector has experienced record price increases which have to some extent increased the price that farmers receive for their cocoa. Price volatility and the small share of profits they receive from the global cocoa market make it difficult for farmers to sustain their livelihoods. In some cases, the income from cocoa production is not enough to cover basic needs.

Sustainability & ethical sourcing

Sourcing cocoa ethically and sustainably is a growing concern, with issues like deforestation and poor working conditions in cocoa-producing countries. Both consumers and governments are increasingly demanding transparency and accountability in the supply chain.

Climate change

Cocoa production is highly sensitive to climate change. Shifting weather patterns, increased temperatures and unpredictable rainfall are affecting the yield and quality of cocoa crops. Of course, deforestation and soil degradation are also major concerns.

Pollution

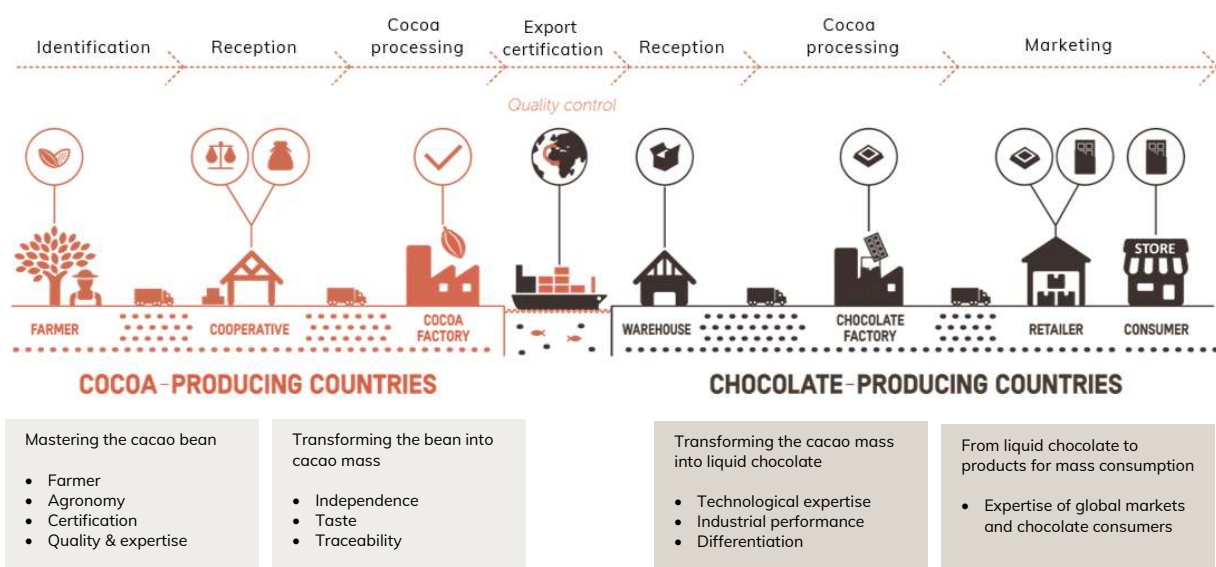
Cocoa farming often leads to deforestation, soil degradation and water pollution. The use of chemical fertilisers and pesticides can result in the contamination of water sources and soil, harming local ecosystems. Additionally, unsustainable farming practices, such as slash-and-burn agriculture, contribute to significant environmental damage.





Transparence Cacao

One of the ways in which we tackle the challenges in the cocoa industry is through our Transparence Cacao programme. It's a segregated programme with its own, separate bean flow. The programme guarantees the traceability of the cocoa from farm to final product and enables a direct relationship with everyone in the supply chain, from the farmer to the consumer. The programme was founded to make sure that the people that cultivate the raw materials we use to produce our qualitative products can improve their lives. For example, by diversifying their income through agroforestry and increasing the crop yields. The cocoa farmers are, after all, our most important business partners, because without them there wouldn't be any cocoa or chocolate. Transparence Cacao also contributes to forest protection and restoration and creating the highest standards in flavour and manufacturing. From Côte d'Ivoire, where a significant portion of the world's (and our!) cocoa is produced, to Ecuador, Peru, the Dominican Republic and São Tomé & Príncipe, our programme works together with local communities, governments, and NGOs to drive sustainable change.



Transparence Cacao stands for:

 Segregation & traceability • 100% segregation • Traceability to farm level	 Quality of the farmers lives • Increase income • Prevent child labour • Women empowerment	 Environmental quality • Tackling deforestation • Promoting agroforestry • Reforestation	 Aromatic & food quality • Fresh beans • Own fermentation and drying centers • Reduce overall use of agrochemicals
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Transparence Cacao's achievements in 2023:

- 100% of Transparence Cacao beans are traceable back to the cooperative
- 99% of our plots are mapped by polygon or GPS technology
- 46% of Transparence Cacao beans are traceable back to the farmer
- 100% of Cooperatives Préférence & Excellence audited through our Transparence Cacao standard
- 100% of beans suppliers signed the Transparence Cacao commitments

If you would like to know more about Transparence Cacao and what it means to both us and the cocoa industry, please visit www.transparence-cacao.com. See you there!



The way we do things.

Values

We wouldn't be where we are today without our company values. They form the foundation of our group and define how we do business: upright & reliable, with an entrepreneurial mindset and a no-nonsense attitude. Passionate about the products we produce and proud of our craftsmanship and expertise.

Mission & ambition

Our mission is to secure our future and that of the people operating in it. It will guide us, just like the Sustainable Development Goals shown below, towards achieving our ambition of becoming the local employer of choice and the global preferred long-term partner for sustainable cocoa, chocolate, and confectionery products. As we want to go far, we should go on this journey together with our partners. Because every bit(e) counts!



Climate commitment

Our group committed to the [Science Based Targets Initiative \(SBTi\)](#) to reach Net Zero for the European scope by 2050. The SBTi is a global movement that aligns business goals with the latest climate science, aiming to limit global warming to 1.5°C above pre-industrial levels. By embracing this initiative, we showcase our dedication to the preservation of the environment and help create a sustainable future for generations to come. This commitment is not just a part of our corporate responsibility; it's a promise to actively contribute to a more sustainable and resilient world. Our world.



Every bit(e) counts.

Sourcing

We prioritise sourcing cocoa and other raw materials that meet ethical and environmental standards. Our partnerships with suppliers are built on shared values of fairness, transparency, and sustainability. In 2023 we sourced our cocoa beans from: Côte d'Ivoire, Ecuador, Ghana, Dominican Republic, Papua New Guinea, São Tomé & Príncipe and Nigeria. And as explained on the previous pages, we initiate and support several projects via our own Transparence Cacao programme. But as you can read below, we do more!



Our sourcing projects

The Sustainable Cocoa Project in Ecuador (Since 2020)

This project focuses on promoting sustainable agricultural practices and improving the economic situation of cocoa farmers. All farmers are located in the Los Rios and Bolivar provinces in Ecuador. The farmers are Rainforest Alliance Certified and produce high quality Arriba Nacional cocoa beans, which are delivered fully segregated to our 'bean to bar' factory in Berlin, Germany, and were used for a special range of our brand Sarotti. In the 3rd year of the project a total of 207 farmers were involved, out of which 28% were female. Since 2024 we have transformed our sustainable cocoa sourcing in Ecuador by sourcing from the Transparence Cacao programme.



The beans were used for a special range of our brand Sarotti. In the 3rd year of the project a total of 207 farmers were involved, out of which 28% were female. Since 2024 we have transformed our sustainable cocoa sourcing in Ecuador by sourcing from the Transparence Cacao programme.

On the next page, you will find the activities which have been initiated following focus group discussions with the farmers, in order for them to indicate which project activities they needed most.

We are proud to share the following results:

- [100% of farmers benefitted from distribution of organic and synthetic fertilisers](#), 17,000 cocoa seedlings of a new clone of the national variety and 1,200 shade trees. This has aided in rehabilitation of the farms, increasing the productivity and boosting the biodiversity.
- [100% of farmers were trained in income diversification](#). The training was combined with establishing business units for selected farmers with diversification activities including bee keeping, pig farming, and fish farming. Technical engineers of the ministry of agriculture in Ecuador have advised and supported these business units. In-kind premium was provided to support the development of these businesses, such as provision of breeding stock, materials for bee keeping and the maintenance of pigs and fishes. These in-kind premiums were always defined based upon the needs identified by the farmers.
- [91% of farmers were trained in financial management and accounting records](#), including a sample of 30 farmers being selected to start and be supported with recording their household income.
- [86% of farmers have implemented crop diversification on their cocoa farms](#).
- 36% of farmers trained on the production of organic fertilisers, combined with the establishment of business units to produce these organic fertilisers and sell them to the project farmers. This specific part of the project was mostly focused on women farmers.
- A pruning brigade was established including 15 farmers, both male and female, and has aided in farm rehabilitation.
- Training and support with implementing dynamic agroforestry in their farms.
- Implementation of irrigation systems.



The Sustainable Hazelnut Project in Turkey (2013 – 2026)

For over 10 years, we have participated in the public-private partnership “Integrated Model for Eliminating the Worst Forms of Child Labour in Seasonal Hazelnut Harvesting” in Turkey, together with the ILO, CAOBISCO and several CAOBISCO members. The project aims to eliminate the worst forms of child labour in seasonal agriculture, focusing on three key areas: capacity building, direct intervention, and raising awareness, which work together to achieve this goal.



The project employs a dual approach: "upstream" efforts involve promoting national and local ownership, leadership, capacity building, and advocacy; while "downstream" efforts focus on reducing and preventing the worst forms of child labour in seasonal agriculture through coordinated, area-based actions in target provinces.

Results:

During the previous 4 phases of the project 10,362 children (2013-2023) were withdrawn or prevented from work through the provision of education services. In addition, counselling several stakeholders on the elimination of child labour and hazards involved in the employment of children in agriculture has been an important activity.



Next steps:

The project has been extended for a 5th and final phase (2024-2026). The project extension aims to establish an exit strategy and a sustainable, collaborative mechanism among all parties. It will ensure local/national authorities and the ILO work together to build a government-led intervention system, focusing on due diligence and addressing human rights issues like child labour in the hazelnut supply chain.



Strengthening child protection systems of cocoa cooperatives in Côte d'Ivoire (2023 – 2027)

Together with Cémoi and the 'Fund against child labour' of the Netherlands Enterprise Agency (RVO), we contribute to eliminating child labour from the cocoa supply chain. During the 1st phase of our collaboration in 2024, we will research the occurrences and causes of child labour. Our focus is on 4 cocoa cooperatives which are highly committed to addressing potential child labour among their member cocoa farmers. They are located in 4 cocoa producing regions: Sassandra, Lakota, Aboisso and San Pedro, covering more than 50 villages and 2,289 cocoa farmers.

Then, during the 2nd phase, we will scale up the project to include more farmers and design and carry out effective downsizing measures to make child labour a thing of the past.



Our sourcing achievements in 2023:

We use **100%**
RSPO certified palm oil in our
production, out of which 97%
is segregated RSPO-palm

99%
of the cocoa beans we processed in
our 'bean to bar' factory in Berlin
were certified/verified

53%
of the processed cocoa beans in
Poland were certified/verified
(which will gradually increase
coming years)

Certificates

By adhering to certifications, we strengthen our supply chains so they can become more responsible and sustainable.



Did you know?
... that 100% of our paper and about 65% of our cardboard is FSC certified?

Quality & food safety

We know that quality raw materials lead to quality products. That is why one of our main priorities, besides responsible and sustainable sourcing, is quality. To us it doesn't matter whether we're producing for our own national brands or for our private-label customers, the quality we deliver must be best in class. Our high standards and the use of certified, natural ingredients ensure consistency and sustainability, which makes all our customers AND our consumers come back for more.

Quality assurance and food safety are at the core of our day-to-day operations. Of course, this doesn't happen overnight. We have quality systems in place that carefully monitor risks and that are assessed regularly through both internal and external audits. Additionally, we follow recognised food safety standards like [IFS](#), [BRC](#), and [FSSC 22000](#) when assessing our suppliers. We are all about participation, continuous learning and collaboration. Each location has a dedicated team that focuses on the quality and safety themes that make our daily operations better each day!

These systems have already delivered great improvements like reduction of quality defects and less rework, but they also include (but not limited to!) improved communication, stronger allergen policies, and better support tools for our production teams.



Energy management

We take several actions across the sites to reduce our energy consumption.

LED lights

Replacing all traditional bulbs with LED lights is an action taken across several sites. Some highlights are that our production site in Caslano has replaced 100% of the traditional bulbs with LED lights. In Bruges, 90% of the building is lit up by LED lights, reducing the site's energy consumption by 20%. Veitshöchheim as well successfully switched to LED lights, significantly lowering the energy consumption by 25.954 kWh.



Solar panels

Where possible we are placing solar panels on the roof tops of offices and production facilities. The site in Caslano is powered by 1,081 solar panels, which produces approximately 400,000 kWh every year. In Veurne, we reduced our carbon footprint substantially through the installation of 2,500 solar panels. The panels currently generate approximately 323,000 kWh of renewable energy each year. Our goal is to have 100 solar panels installed in our site in Szczecin by June 2024, which will

be able to generate 50.000 kWh per year. We plan to add more panels in 2025 to further optimise our energy efficiency.

Other initiatives

In Lokeren, we upgraded the cool-storage facility, which resulted in 44% less energy being consumed. In Bruges we have self-generated 695,000 kWh of green electricity over the past 2 years by using natural gas.

Our site in Berlin invested in upgrading lighting, pump systems and outdated ventilators, resulting in a decrease of 214,716 kWh in 2023. In Norderstedt, we've achieved energy reductions through projects like water and heat pump renewals.

Saalfeld has been proactive in sustainability efforts, including insulating heating and cooling pipes and upgrading building windows.

Vegan

In 2021, major investments have been made to establish a 100% free from dairy traces vegan mass and tablets production line at the Saalfeld plant in Germany, as well as separated liquid production area and warehouse. For more transparency and clarity, this was followed by broadening our available certifications with the [V-Label](#) and the [Vegan Society](#). The V-Label simplifies the lives of our consumers as they can identify vegan products much quicker. Because of the V-Label, consumers and customers can be 100% confident that the products comply with the standardised criteria for vegan products required by the European Vegetarian Union.



Our other German plant in Veitshöchheim has been producing vegan products since 2015. They are focused on producing lactose and gluten-free chocolate products, as well as products without added sugar and products that are high in protein.

Packaging material

As a company that is committed to create a better world, we want to ensure that the impact of our packaging on the environment is minimal. That's why we are always looking for (even more) sustainable alternatives to traditional packaging materials. For now, we are proud to report that we have reduced the use of plastic in both our manufacturing and packaging processes and that we use circular materials whenever possible.



Over the past years we have executed around 40 tests among the production sites in order to further innovate our primary packaging and look for more sustainable alternatives without compromising on product quality. Hereby we need to always keep in mind food safety, processability, affordability and appearance.

These tests have led to several improvements across several sites, such as:

- Reduction of the thickness of our packaging material for aluminium and plastic foil (Easter eggs)
- Substitution of plastics films with recyclable mono-structured film.
- Replacement of PET film with paper for seashells and plano in Bruges and Veurne (Belgium)
- Replacement of single-use cardboard by plastic reusable displays in Bruges (Belgium), which have a 5-year lifespan
- Replacement of PET plastic with PP plastic (fully recyclable) for pralines and sticks in Norderstedt (Germany)
- Replacement of PP flow wrap with paper flow wrap for 100-gram tablets in Saalfeld (Germany)

Reducing non-recyclable packaging waste by:

- Alternative materials
- Increased level of recyclability
- Circular-economy initiatives



Waste management

Proper waste management not only aligns with our environmental goals but also contributes to cost savings and operational efficiency. All Baronie sites are committed to reducing their environmental impact by managing waste in the most sustainable way.

With a current [recyclability rate of 60%](#), we are actively pursuing initiatives to enhance waste recovery and align with our long-term sustainability commitments.

We are converting [100% of our food waste into animal feed or into energy](#), which provides environmental benefits by reducing landfill methane emissions, conserving resources, and minimising the environmental impact of conventional feed production. We are also committed to taking actions to reduce the volume of waste.

FostPlus

FostPlus is a Belgian non-profit organisation which aims to prevent resources from becoming waste. Baronie Belgium NV has partnered with FostPlus to improve waste management as we share their mission to responsibly handle waste, to advocate for eco-friendly packaging, and to foster a culture of recycling. FostPlus manages the waste through a process of collecting, sorting and recycling our packaging material.

Der Grüner Punkt

Der Grüner Punkt (The Green Dot) is a logo that shows a contribution to the recycling of packaging material of consumers goods in Germany. By partnering with Grüner Punkt we contribute to the cost of recovering and recycling packaging material.

By participating in Grüner Punkt Dual System for recycling of sales packaging, Stollwerck GmbH, amongst others, has contributed to a saving of 457t of CO₂ equivalents and 19,069 GJ primary energy in 2023.

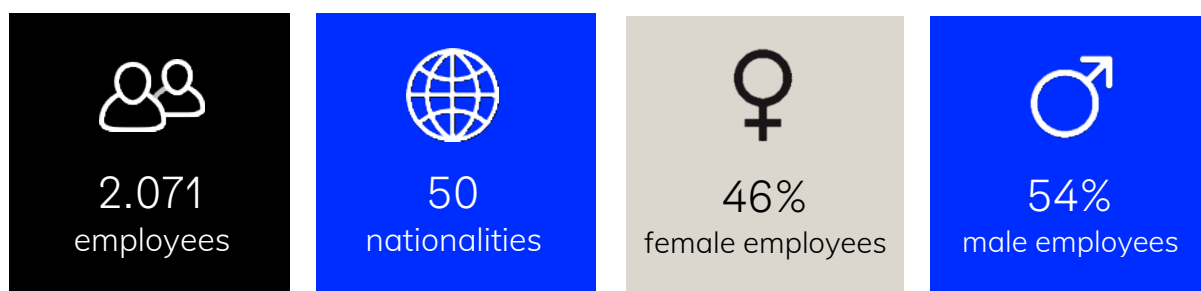




Our people, our strength.

Our people in numbers

The overview below provides the number and percentage of male and female employees across all sites within Baronie, which employed a total of 2,071 people in 2023.



The gender ratio in leadership positions shows that approximately 61% of management roles are held by men, while 39% are held by women.

Our people are equal

At Baronie nobody is a number, but in the statistics on the previous page, they are! Our commitment to diversity and inclusion extends to all aspects of our workforce, regardless of nationality, race, gender or other factors. As proud members of Sedex, we ensure transparency and uphold ethical standards across our supply chain. We offer personalised training and diverse career opportunities, ensuring our employees can grow and succeed within the company.

Sedex  **Member**



Our people's health

At Baronie, we prioritise the well-being of our employees by fostering a healthy, respectful and inclusive work environment.

We comply with national and international regulations to ensure workplace health and safety. Our commitment is to create a safe and healthy environment by reducing the risk of accidents, injuries, and health hazards. We actively engage with our employees through various channels, such as worker committees, to continuously enhance workplace health and safety.



We are currently gradually upgrading our sites to boost morale and to improve mental and physical health. We are creating modern, comfortable office spaces and more ergonomic workspaces that keep our workers' bodies healthy. An example is the office renovation in Caslano (Switzerland) in 2022. Examples in our Berlin factory are individually adapted ear protection and lifting aids for heavy weights. We also encourage initiatives like carpooling and cycling to work for our sites in the Benelux to promote environmental responsibility and overall employee well-being.

If you want to go far, go together.

Legislation

We are actively working towards compliance with upcoming European legislations, including the European Deforestation Regulation (EUDR), Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD). These new legislations aim to improve transparency, promote sustainability, and address environmental and social risks across our operations and supply chains. By working closely with our partners, suppliers, and other stakeholders, we aim to build a more responsible and sustainable business that meets the evolving regulatory landscape in Europe.

Partnerships

Cocoa is THE key ingredient of our chocolates and the start of our supply chain. That's why we directly support several sourcing projects and are part of multi-stakeholder partnerships, such as Beyond Chocolate in Belgium, the German initiative on sustainable cocoa, and the Swiss Platform for Sustainable Cocoa.



We participate in these initiatives because we understand that we could not produce the products that we're so proud of if it wasn't for our suppliers. Therefore, together with the stakeholders, we address important topics in the industry, such as increasing the volumes of sustainable sourced cocoa, ending deforestation, and enabling cocoa farmers to earn a living income.

Tony's Open Chain Initiative

Tony's Open Chain is an initiative by Tony Chocologely that invites other chocolate manufacturers to collaborate and invest in a segregated cocoa supply chain. That's why, in 2023, we have linked the cocoa processing facilities of Cémoi in Abidjan (Côte d'Ivoire) and Bourbourg (France) to Tony's Open Chain. By becoming a processor for Tony's Open Chain, our presence and expertise in the world's leading cocoa origins and our production facilities will enable and support the Tony's Open Chain Mission Allies in their growth.

Outlook

Our influence stretches as far as the choices our partners make. However, it is our responsibility to continuously address the various topics and discuss the possibilities and developments on our side with our partners, in the hope that it will convince them to join us on our mission to achieve our sustainability goals.



Our world is
chocolate.
How about yours?



In case of any questions or requests for increased collaboration,
please get in touch with our sustainability team:

www.baronie.com

sustainability@baronie.com