

**Our sustainable
commitment
2017-2018**







Jean-Luc Grisot,
CEO Valrhona

For us, imagining the best of chocolate means giving the best to our producers, our partners and our planet. Every day, through Live Long, we work to do just that.

Businesses like ours have a vital role to play in solving the pressing issues of our time. Over the past year, companies have increasingly stepped up to tackle climate change and rising social inequality. Valrhona is firmly part of this movement.

Just this last year, we launched our first ecodesigned products, worked with cocoa partners to develop agroforestry and improve access to education, forged a new partnership with start-up Too Good to Go to help clients fight food waste and continued building our shared vision for the Valrhona of 2025!

Ten years ago, when a client asked me what I was doing to make the world a better place, I didn't know how to reply. Today, I'm proud to be able to show that Valrhona is a committed, responsible supplier with big plans for the future.



Carole Seignovert,
Head of CSR

2017 was an exciting year for Live Long, in which we made strides towards reaching our goals around cocoa, the environment, gastronomy and the lives of our stakeholders. Today, Live

Long touches all levels of the business, and increasingly the wider Valrhona community.

I'm thrilled that our sustainable commitment is bearing fruit. In 2017, we were awarded a Gold rating by EcoVadis, placing us among the top 5% of sustainable suppliers in the world. We were also voted 10th in the Great Place to Work rankings in France by our staff, placing us in the top 15 for the fifth consecutive year. We're not stopping there though! In 2018, we'll be pulling out all the stops to move even closer to our 2025 goals.

Our sustainable commitments

Live Long Cocoa

Preserving aromatic cocoa
and supporting producer
communities

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Live Long Gastronomy

Helping
vocations flourish

p. 13

Live Long Environment

Halving our environmental
impact by 2025

p. 10

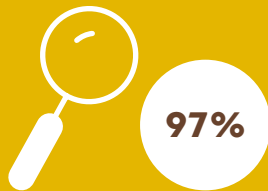
Live Long Together

Constructing
a sustainable model with
our stakeholders

p. 16



Through our long-term partnerships, we aim to preserve aromatic cocoa and support cocoa producing communities



Traceability
down to
cooperative level
↗ 100% 2018



Community projects
carried out in 10
countries since 2012



% of our cocoa
purchases that come
from partnerships
lasting at least 3 years
↗ 90% 2020



Visits
to cocoa partners
once a year
↗ 100% 2020

Our community projects since 2012



JAMAICA
—
Financing solar drying beds

HAITI p.08
—
Supporting agroforestry with AVSF



DOMINICAN REPUBLIC p.08
—
Promoting agroforestry through Cacao Forest



BELIZE
—
Renovating a plantation

ECUADOR
—
Donating to earthquake relief efforts in 2016

PERU p.09
—
Providing drinking water to 1200 people with the Clean Water project, creating a seedling nursery



GRENADA
—
Technical support and training around fertilizer use

BRAZIL p.09
—
Building a training center, renovating farm workers' housing and financing solar drying beds



CÔTE D'IVOIRE
—
Constructing a school in Petit Bouaké

GHANA p.07
—
Launching a five year education plan, building a community center and two schools



MADAGASCAR
—
Building 33 new houses for cocoa producers and opening a healthcare center

BALI
—
Supporting a cocoa organization in its first export



Improving education in Ghana

In 2017, our sourcer Cédric Robin launched an initiative to improve access to education in Ghana, alongside our partner FEDCO. Seeing that there was a pressing need to support education in the region, Cédric worked with FEDCO and local education representatives to develop a long-term solution. The result: a far-reaching project to reach eight communities over the next five years, including over 800 producers and 2500 children.

Our investments will go towards addressing the needs identified by the communities involved, including refurbishing school buildings and providing educational supplies. We're already off to a good start: in 2017 we've built two new schools with FEDCO in the villages of Wassa Nkran and Pieso.

Our commitment to improving access to education in Ghana is part of our focus on creating long-term partnerships with cocoa producers. Through our relationship with FEDCO, which dates back to 2013, we work to invest our partnership premium into improving infrastructure and access to priority needs, such as education, thus helping cocoa producing communities to thrive.



Promoting agroforestry with Cacao Forest

For Dominican cocoa farmer Apolinal Sanchez Rosas, "Taking part in the Cacao Forest workshops has kept me motivated...We benefit from the cocoa and the products that grow alongside it."

Apolinal is one of 30 Dominican farmers involved alongside Valrhona in Cacao Forest, an innovative cross-sector project to create the sustainable cocoa of the future. We aim to develop agroforestry models that will improve the resilience of rural communities, diversify producers' revenues, increase farm productivity and protect the environment. Read more about the project at www.cacaoforest.org.

In 2017, our team created potential cultivation models via a series of workshops with farmers and technicians in the Dominican Republic. Together we drew on scientific research and local knowledge to choose which combinations of trees and plants would have the desired results for the farmers and their environment. We also worked with farmers find markets for their other crops, such as vegetables. Today, Apolinal and his fellow farmers sell their products to organic markets in the Dominican capital.

In 2018, we begin planting the different cultivation models to start testing out which work best over the long-term.



32 workshops with **15** farmers and **12** technicians
32 producers sell their products to organic markets
Farmers have made **€14,000** selling their products



38 hectares of pilot hectares sponsored by Valrhona
3 year project

Supporting agroforestry in Haiti

When the NGO AVSF approached our sourcer Julien Desmedt in 2017 with an offer to join their Procacao project and work with our Haitian partner FECCANO to regenerate farmers' ageing plantations using agroforestry, Julien was keen to get involved. Through this project, we hope to promote crop diversification, improve cocoa production, increase farmers' revenues and give farmers long-term security.

AVSF's innovative multifaceted initiative, based on their extensive diagnostic work and strategic planning, aims to empower the collective, enable them to become more professional and thus ensure their long-term security.

As part of the project team, Valrhona is focusing its support over the next three years on funding the creation of 38 out of a total 50 pilot hectares. Today, the producers and the plots that will be involved have been identified. Work will begin shortly to prune and replant trees.

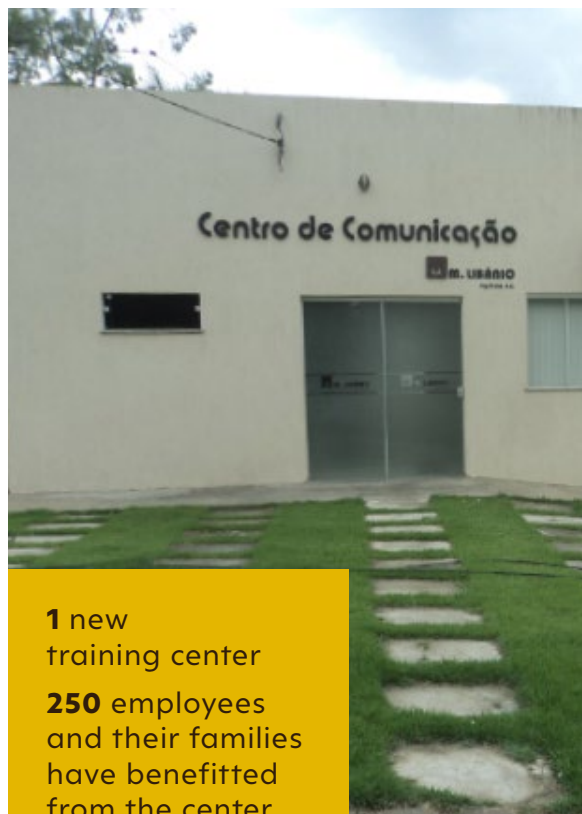
Our relationship with FECCANO, which dates from 2010, became even closer in 2014 when we signed a five-year partnership agreement. Our support for this agroforestry project is part of our commitment to our long-term partnership, enabling us to together address the key needs of local communities.

Building a new training center in Brazil

Cédric Robin, sourcer, works with our Brazilian partner M. Libânio. Encouraged by M. Libânio’s commitment to staff training, and seeing the need for a dedicated training space on the plantation, Cédric decided to co-finance the construction of a new training center in 2016.

Since the beginning of 2017, 250 employees and their families have received training at the new center, on subjects ranging from health and safety at work, to environmental protection and good agricultural practice. Thanks to this center, M. Libânio will not only be able to better pass on their cocoa expertise to employees and to the wider Bahian cocoa sector, but staff now also have a space for different community functions.

Our investment in these building works is part of our long-term partnership commitment to M. Libânio. Since our partnership began in 2013, we have not only supported training, but have also funded technical equipment, such as solar drying beds in 2015.



1 new training center
250 employees and their families have benefitted from the center

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Over **\$18,000** raised by the Clean Water Project

750 inhabitants of Los Ranchos have access to clean drinking water

130 producers in the Rio Bigote valley benefit from technical support

Providing clean drinking water in Peru

Our sourcer Benjamin Figarède has worked alongside our Peruvian partner, the Norandino Cooperative, since 2013. In 2016, Benjamin helped launch a crowdfunding project with Valrhona USA and Norandino to provide clean drinking water to the farming community of Los Ranchos.

Over the course of the year-long “Clean Water Project”, \$2 from every 3kg bag of Illanka 63% sold went to the initiative. Our clients also got involved, raising money with dedicated products and events. Following flooding in Peru in early 2017, we stepped up our fundraising even further. Thanks to the generosity of Valrhona clients, we raised over \$18,000 by the end of the campaign in July 2017.

Since receiving the funding, Norandino has worked with the Canchaque Municipal District to install a new water system. Today, the 750 inhabitants of Los Ranchos now have access to clean drinking water.

Through our long-term partnership with the Norandino Cooperative, we commit to supporting cocoa producers and to helping them in preserving, cultivating and preparing the finest of aromatic cocoas. This is why we are co-financing a technical advisor in the Rio Bigote region over three years, as well as working with Norandino to develop a Gran Blanco seedling nursery.



Our goal is to halve our environmental footprint by 2025. We're working to improve the environmental impact of our products throughout their life cycle



18%

Reduction in energy use
↗ 50%



69%

Proportion of renewable energy used
↗ 79%



30%

Reduction of carbon emissions
↗ 50%



0%

Reduction in air freight
↗ 30%



5%

Reduction in waste production
↗ 50%



87%

Waste diverted from landfill
↗ 100%



37%

Reduction in water use
↗ 50%



1st range of ecodedesign products

↗ 100% of our new products ecodedesign by 2020



76%

% of packaging that's recyclable
↗ 85% 2025



1st
ecodesigned
range

5.5T
cardboard
saved a year

100%
recyclable boxes

Our ecodesign adventure

↘ We aim to ecodesign all
our new products by 2020

For Claudie Bochard, Packaging R&D manager, ecodesign presents a great opportunity to innovate while putting her environmental values into practice. Claudie worked with our BtoC Marketing team to redesign our ballotin gift boxes, resulting in the launch of our first ever ecodesigned range this year. Our new boxes use 40% less cardboard, which will save us 5.5T of cardboard a year, and are fully recyclable (apart from the ribbon). Find out more about the range on www.valrhona.com



Our ballotin gift boxes were the pilot project in our ecodesign adventure. Over the past year, we have trained all teams involved in our innovation processes at Valrhona in ecodesign and have implemented eco-friendly criteria and visual tools into the designing of our product recipes and packaging. These criteria include packaging weight, recyclability and clean label recipes. With this all in place, we're now turning our attention to two areas: integrating environmental criteria into our merchandising and services, and secondly applying ecodesign principles to existing products.

Fighting food waste with “Les Cabossés”

➤ We aim to divert 100% of our waste from landfill by 2025

Christel Imbert is Planning Manager at Valrhona. Following a staff hackathon in 2016, Christel worked with our logistics, quality, marketing and boutique teams to stop short shelf life bonbons going to waste. In 2017, thanks to their work, we launched our short shelf life bonbon assortment bags as part of our “Les Cabossés” range. Today, we’ve managed to save 1.7T of bonbons!

“Les Cabossés” gives a second chance to our imperfect looking or short shelf life products. Available exclusively in our Tain boutique, the range has helped us save 11.4T of products since launching in May 2016.

Les Cabossés is part of our larger commitment to fighting food waste in our chocolaterie. We do this in two key ways: reducing the amount of waste we produce and ensuring any unused product we do make goes to good use. As well as ecodesigning our new products, we work to refine our production, stock management and sales estimations to make the right amount of chocolate as efficiently as possible. We give unsold products a second chance through “Les Cabossés”, donations to charities such as “Les Restos du Coeur”, or sales and seasonal gifts to staff.



1.7T of chocolate bonbons saved since 2017

11.4T of chocolate saved by “Les Cabossés” since launch in 2016

Improving our energy management

➤ By 2025 we aim to halve our energy use and to ensure that 79% of the energy we use comes from renewable sources

Mathieu Boselli is our Maintenance, Utilities and Energy manager. “There are two things that interest me about energy management,” says Mathieu. “The first is that it’s an area with really big technical challenges, so it’s very interesting from a technical perspective. The second are my deep rooted personal convictions around CSR and the environment.”

In 2017, Mathieu helped implement a new energy management system in our chocolaterie, including installing sensors and specialized software. With the help of our partner, Metron, we can now collect and analyze vast amounts of data, helping us better monitor our energy use and pinpoint areas for improvement.

This system is one of the ways we are working towards our 2025 environmental goals. Certified ISO 5001 for the past three years, we are building on these processes by using big data to make the way we manage energy use even more robust and targeted. We’re not only improving our how we use energy, but also where it comes from. This year, 100% of our electricity came from French hydroelectric power!



1 new energy management system installed across all of our production sites
100% of our electricity from renewable sources



Live Long gastronomy

Our goal is to foster vocations. This means drawing on our heritage of gastronomic expertise to pass on skills and knowledge to today's artisans and to inspire the pastry chefs of tomorrow



10

Graines de Chef
beneficiaries
↗ 100/yr 2020



12!

Schools involved in
Next Generation
↗ 10 in 2017



1044

Fondation
beneficiaries
↗ 1000/yr 2020



15 beneficiaries since 2016
10 beneficiaries in 2017
6 young people have started a CAP Pâtissier qualification

Graines de Chef: helping young people find their vocation

↘ **100 Graines de Chef beneficiaries a year by 2020**

For Thierry Bridron, Executive Chef at l'Ecole Valrhona, Graines de Chef is an initiative close to his heart, allowing him to pass on his passion for pastry to young people and so foster the next generation of chefs. Last year, Thierry helped select the program beneficiaries, delivered courses and even took on one of the students as an intern at l'Ecole Valrhona.



Graines de Chef is a joint initiative between the Fondation Valrhona and the Fondation Paul Bocuse, in partnership with local training centers, to enable young people to experience the pastry makers' profession and to encourage the most motivated among them to embark on a professional CAP Pâtissier qualification.

The four-step program gives apprentices a taste of life as a pastry chef, including courses in key pastry skills and an apprenticeship with a Valrhona client. In 2017, we trained 10 young people. Six have since gone on to start a CAP Pâtissier qualification, with our clients as serving as their apprenticeship mentors. In 2018, we plan to launch the program in three new towns in France.

"This type of action gives even more meaning to my work and that of l'Ecole Valrhona. I'm going to follow the progress of each student closely!"

Thierry Bridron, Executive Chef at l'Ecole Valrhona

The Fondation Valrhona: supporting cookery training for young people

↘ **1000 Fondation beneficiaries a year by 2020**

“Last year, we launched our first ever open call for projects as a way to support initiatives that would best increase the Fondation’s impact,” says Armelle Giammattei, Head of the Fondation Valrhona.

We received 22 proposals from across France, selecting seven that would best further the Fondation’s mission to “spread the joy of flavor and the pastry chef’s craft”.

The Association “Un jeune un métier”, the Association Épices and the town of Feyzin’s work with high school students are examples of projects chosen this year. Each carries out different activities aimed at helping young people to learn about culinary professions. In Feyzin, where we’re funding the construction of a new training kitchen, high school students learn to cook over the course of a year. Students of “Un jeune un métier”, meanwhile, benefit from pastry and bakery training and professional orientation, while the Association Épices works to promote social inclusion through cookery and nutrition.

We provide each of the chosen projects with financial support and ingredients, as well as holding discovery workshops on flavor and chocolate. We plan to hold another open call for projects in 2018.



7 new projects supported

1044 Fondation beneficiaries in 2017

Next Generation: fostering the pastry professionals of the future

↘ **10 cookery schools involved in Next Generation in 2017**

“I find it really inspiring,” says Frédéric about Valrhona’s Next Generation project. “It allows certain people to familiarize themselves with competitions and to then launch into that world more easily.”

Frédéric is one of the teachers from the culinary schools involved in our first ever competition for students in professional chocolate and pastry training across France. Last year we helped 12 schools organize a chocolate molding competition for their students using our chocolate and our bonbon shaped molds. Each school chose their winner and on 1 June, seven winning students and their teachers joined us at l’Ecole Paris to celebrate. The day kicked off with a dive into the journey from sourcing cocoa to making chocolate, tasting plenty of products along the way. We finished with a demonstration by l’Ecole chefs Franck Wenz and Glenn Noel on the essentials of pastry and chocolate, from mousse and crémeux, to glazing and molding.

This competition is part of our Next Generation project, through which we aim to support students throughout their pastry training to develop their knowledge about the worlds of gastronomy and of cocoa, as well as about flavor, products and techniques.



12 schools involved in Next Generation in 2017

TOGETHER



LIVE LONG

We want to create a sustainable business model with our stakeholders, whether helping clients to put sustainable practices into place, creating a company in which staff are happy to work, or even defining our collective vision for 2025



% strategic suppliers participating in dialogue days
↗ 100% 2020



Clients participating in dialogue days
↗ 200/yr 2020



Staff with a CSR objective
↗ 100% 2020



% of purchases made with suppliers who've signed our Sustainable Purchasing Charter
↗ 100% 2020



Creating a shared vision for 2025

Alexandre Piron, Packaging Line operator, is one of our Vision ambassadors. For Alexandre, getting involved in creating our 2025 vision was an important way to contribute his ideas and participate in shaping the future of the company.

Alexandre was one of **150 ambassadors** who took part in our Vision day last April. Drawing on feedback from client listening sessions, as well as supplier and community surveys, our ambassadors worked throughout the day to imagine what the world, and Valrhona, could be like in 2025. We then distilled this down further over the summer to produce a “raw” version of our 2025 Vision, before sending out a survey out to staff, clients, suppliers and community members to find out their thoughts. Today, our vision is almost ready. We plan to launch it early this year!



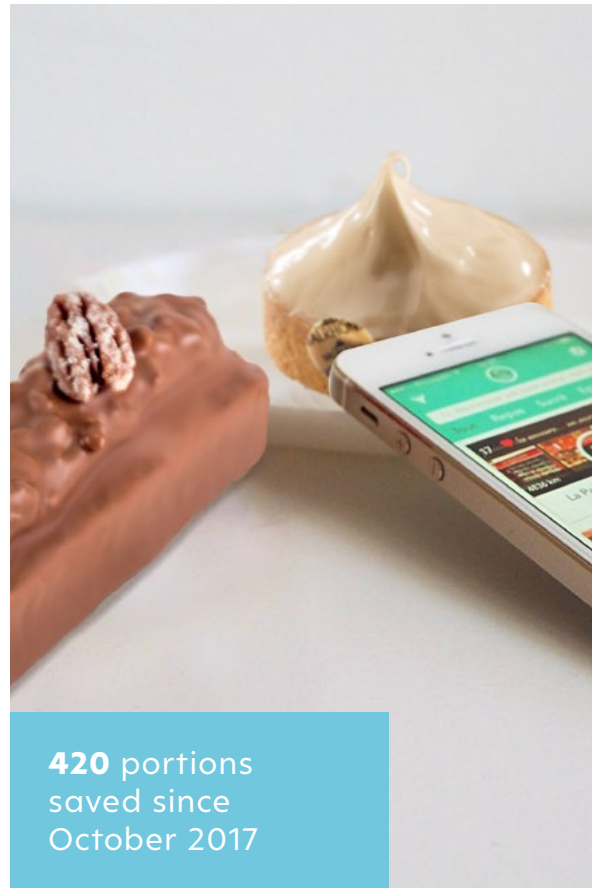
Through our Vision 2025 exercise, we are creating a shared vision for the future of the company with all of our stakeholders. Launched in 2016, Vision 2025 builds on a movement of organizational and managerial change that began several years ago at Valrhona with the creation of our “Ecole de Leadership” management training. Today, we are constructing a vision for 2025 that liberates people’s potential, and in so doing, drives the company forward.

Helping clients in France fight food waste

For Benjamin Dodet, Northern France Sales Manager, our partnership with app Too Good to Go is an opportunity to support our clients in becoming more sustainable. To mark the launch of the partnership, Benjamin organized an event last October in Lille. Over dishes from chefs Steven Ramon, Romain Montagne and Christophe Renou, the 70 invitees discussed their own practices and their vision for a sustainable gastronomy with the Valrhona and Too Good to Go teams.

Thanks to this partnership, our clients can now sell products that would otherwise go to waste while also helping the planet. Plus, sign-up is free for Valrhona clients!

We know that our clients are actively engaged on a wide variety of sustainability issues, from sourcing to fighting waste, and that many would like to do even more. As a responsible supplier, we are keen to play our part. Today, we are working on developing effective solutions, like that of Too Good to Go, to help clients address key sustainability needs.



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10 students supported by Shanghai Young Bakers
6 children participated in the Valrhona Senses Center workshop
Over **£35,000** raised by the Big Chocolate Tea, helping **1167** families
Almost **£7000** raised by Chocs for Chance

Working with our local communities to have a positive impact

Souhila Boudhar is our Business Developer in Shanghai. Last year, she worked with our Chinese distributor Sinodis to support the Shanghai Young Bakers project, a year-long training course that helps young people from disadvantaged backgrounds gain professional pastry skills. As well as providing the project with chocolate, molds and technical support, Souhila taught the 10 students French to equip them for professional placements in France.

This project in Shanghai is one of many examples of how we work with clients and their communities across the world to have a positive impact. Whether introducing children with learning difficulties to the world of chocolate through our collaboration with the Senses Center in the UAE, to helping young people gain professional skills or supporting families with sick children through our involvement with Chocs for Chance and the Big Chocolate Tea initiatives in the UK, our teams work to carry out actions that address the needs of their local communities.

Improving wellbeing at work

Sylvie Vienet is our Health and Wellbeing at Work manager. For Sylvie, creating a sustainable model with stakeholders means making sure our staff are happy and proud to work at Valrhona. This year, she managed the Great Place to Work survey at Valrhona.

We use these survey results to understand how our staff are feeling and what we can improve. One such improvement was flexible working. We implemented telecommuting across the company last year and are now trialing flexible working hours for production staff.

In addition to this, we try to improve wellbeing at work by allocating each staff member a wellbeing budget for teams to use to improve their work environment. We also support staff mental and physical health by training all managers about psycho-social risks, providing access to sports classes and ensuring staff have access to multidisciplinary healthcare, including a clinical psychologist and a social worker.

We're proud that our staff voted us **10th place** in the Great Place to Work rankings in 2017, placing us among the **top 15 for the fifth year in a row**. In 2018, we will draw on the results of the 2017 survey to address specific needs of different teams.



10th in the 2017 Great Place To Work rankings
81 % of our staff say they're proud to work for Valrhona

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6 workshops in 2017

16 young people

Project Akadi: helping young people eat well

Bassa Passas is board member of the Fondation Valrhona and a guide at the Cité du Chocolat. Inspired by her experience of teaching her children how to cook, Bassa put forward a project of her own to the Foundation. Project "Akadi," which means "It's good!" in Bambara, aims to help young people eat well by teaching them how to cook easy, nutritious dishes.

Fondation Valrhona volunteers kicked off activities over the summer with a series of workshops for young migrants at a local association. Over the course of 6 sessions, 16 young people explored a different local fruit or vegetable, learning techniques, flavors and textures they could use to make easy, tasty meals. The aim is to not only teach them how to cook and to introduce them to ingredients they may not have come across before, but to also create a sense of community while doing so.

Akadi is one of the new projects supported by the Fondation in 2017. Through these projects, we work to spread the joy of flavor and eating well, and to have a positive impact on our local community. In 2018, we hope to work with other local partners to reach even more young people through Akadi.





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