

Puratos and private investors join forces to improve the livelihood of cocoa farmers globally



Brussels (Belgium), August 24th 2021 (under embargo until August 25th 08:00 CEST) – Puratos has closed on a €1 billion financing from a group of private investors including Barings as the lead account. The first draw of the financing will be used to further accelerate the Cacao-Trace program which was founded by Puratos, the international manufacturer of ingredients for the bakery, patisserie and chocolate sectors. Cacao-Trace helps cocoa farmers increase their revenue thanks to the production of superior tasting chocolate, achieved by mastering the fermentation process.

About Puratos

Puratos is an international group, which offers a full range of innovative products and application expertise for artisans, industry, retailers and food service customers in the bakery, patisserie and chocolate sectors. Our headquarters are located on the outskirts of Brussels (Belgium), where the company was founded in 1919. Today, our products and services are available in over 100 countries around the world. In many cases, they are produced locally by our subsidiaries. Above all, we aim to be 'reliable partners in innovation' across the globe to help our customers deliver nutritious, tasty food to their local communities.

For further information, visit www.puratos.com

GROWING FARMERS' EXPERTISE AND INCOME

Around the globe, close to 50 million people, mostly located in tropical regions, are dependent on cocoa for their livelihoods. On average, cocoa farmers in West-Africa earn less than €2 per day, an income below the poverty line.

The Cacao-Trace programme was created in 2014 by Puratos & Belcolade, a brand from Puratos Group. Since its creation and as of today with the support of this group of private investors, the Cacao-Trace programme aims to increase its net positive social and environmental impact on the cocoa supply chain. Cacao-Trace focuses on superior tasting chocolate, and in the process generates value for all, from farmers to consumers. The program trains farmers and helps them to deliver cocoa beans of superior quality, increasing their revenue through a premium price and a chocolate bonus of €0.10 per kilo of chocolate, on top of conventional farm gate price. Today the premium price and chocolate bonus add up to the equivalent of 3 to 4 extra months of salary. Cacao-Trace is already active in several countries across the globe: Cameroon, Ivory Coast, Mexico, the Philippines, Papua New Guinea, Uganda, and Vietnam.

Groot-Bijgaarden, August 2021



About Belcolade

Belcolade, the real Belgian chocolate brand from Puratos Group, is exclusively produced in Belgium. Belcolade is made from carefully selected ingredients according to the highest quality standards. It is the result of a careful exploration and selection of the finest and best tasting cocoa beans from all over the world. It makes Belcolade a trusted partner to thousands of professionals worldwide.

For further information, visit www.belcolade.com

About Cacao-Trace

Cacao-Trace is Puratos' sustainable cocoa sourcing programme that focuses on better tasting chocolate, and in the process creates value for all, from farmer to consumer. Chocolate is obtained from the highest quality beans, fermented and dried according to strict guidelines. The programme was initiated in 2014 and now counts 8.867 farmers from 7 cocoa producing countries.

For further information, visit www.cacaotrace.com

¹ ICMA : International Capital Market Association

FINANCING FOR A MORE SUSTAINABLE FUTURE OF THE COCOA INDUSTRY

Following a thorough due diligence process, a group of private investors agreed to finance Puratos and Cacao-Trace for an aggregate amount of €1 billion, demonstrating the relevance and long-term potential of Cacao-Trace, to transform the cocoa supply chain in a social and sustainable way. The financing mechanics have been assessed by Peterson Projects and verified according to the ICMA¹ principles of sustainable financing. Puratos completed this transaction together with BNP Paribas as Lead Arranger and Eubelius as Legal and Tax advisor.

The €1 billion long-term financing will support the purchase of more Cacao-Trace certified beans directly from the farmers, intensifying the collaboration with local cocoa communities. It will also be used for the construction of ten cocoa post-harvest centers and three grinding lines in Central and South America, Africa and Asia between today and 2026.

This sizeable transaction marks Puratos' first sustainable financing. **Jean-Philippe Michaux, CFO and Head of the sustainability steering committee at Puratos**, "*Cacao-Trace is a long-term commitment by Puratos towards a sustainable cocoa supply chain. It goes far beyond the average industry standards for sustainable chocolate by creating value for everyone, starting with the cocoa farmers. We are there on the ground, alongside farming communities to coach 8.867 farmers to grow higher-quality cocoa and give guidance to run plantations in a more sustainable way. The sustainable financing was granted on a 20-year term, which shows both Puratos' and its investment partners' long term vision. As a family company we think in terms of generations. This funding will help us accelerate our efforts and further improve the positive impacts for the chocolate communities. It is our commitment to you and to future generations to enjoy the best tasting chocolate for many years to come.*"

Jim Moore, Managing Director, Barings Private Debt Group: "*Puratos is a strong innovative Company, and the steps they're taking to improve their sustainability both environmentally and socially echo the focus that Barings also has on its ESG efforts.*"

Tomas Fiege Vos de Wael, Group Head Sustainability, Peterson Projects: "*We believe this financing will help scale up and raise the environmental ambitions of the green bond market and look forward to see the impact it will create for farmers in the cocoa industry worldwide.*"

BARINGS

About Barings

Barings is a \$382+ billion* global investment manager sourcing differentiated opportunities and building long-term portfolios across public and private fixed income, real estate, and specialist equity markets. With investment professionals based in North America, Europe and Asia Pacific, the firm, a subsidiary of MassMutual, aims to serve its clients, communities and employees, and is committed to sustainable practices and responsible investment.

Learn more at www.barings.com.

*Assets under management as of June 30, 2021

PETERSON

About Peterson Projects

Peterson Projects is a sustainability consultancy firm based in The Netherlands. It is the advisory division of the family-owned Peterson Control Union World Group which is a globally operating service provider for predominantly certifications and inspections, with presence in 75 countries and in business since 1920. Peterson Projects' expertise lies in supply chain management, risk analysis and climate change adaptation, sustainability strategy as well as environmental (carbon and water) footprinting.

BNP PARIBAS

About BNP Paribas

BNP Paribas is the European Union's leading bank and key player in international banking. It operates in 68 countries and has more than 193,000 employees, including nearly 148,000 in Europe. The Group has key positions in its three main fields of activity: Retail Banking, Investment & Protection Services and Corporate & Institutional Banking. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific.

BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

eubelius advocaten avocats attorneys

About Eubelius

Eubelius is Belgium's largest independent law firm. Its full service banking and finance practice deals with all Belgian law aspects of general corporate, (syndicated) asset based, real estate and project financing.

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