

2018
CSR
REPORT
THE CÉMOI GROUP





EDITORIAL

BY PATRICK POIRRIER

CEO OF THE CÉMOI GROUP

The Cocoa & Forests Initiative is the leading global partnership bringing together the governments of the main cocoa-producing countries and the private sector in a joint scheme to promote sustainable cocoa. CÉMOI was one of the first signatories of this initiative, because our Group is aware of the challenges facing the cocoa industry.

A favourite phrase of mine is "you can't have good chocolate without good cocoa". But what do we mean by good cocoa? The answer is a cocoa of superior aromatic quality, which is "forest-friendly" and produced in the best possible conditions by farmers who are paid a fair price and capable of investing in their production tools. This rationale has formed the very basis of our commitment to the sustainable production of chocolate for several decades now, and our TRANSPARENCE CACAO programme is helping to establish it firmly at the heart of the industry.

To produce quality chocolate, we need not just cocoa, but a quality raw ingredient. Our Group believes in sourcing the raw ingredients locally and we are stepping up our objectives so as to have an ecosystem of suppliers close to our production sites and deploying responsible farming methods. In addition to our ethical charters aimed at putting an onus of responsibility on our suppliers, we have furthermore reinforced our philosophy of responsible purchasing.

From the farmer to the consumer, we are moving forward by opting for responsible raw ingredients, more energy-efficient locations and less wrapping while preserving the flavour of our products. It is an essential part of our integrated approach to the supply chain to allow consumers to opt for more responsible, more local and more sustainable production.

CONTENTS



CHAPTER 1 THE CÉMOI GROUP

- 1. The Group in figures..... P.5
- 2. Our values..... P.6
- 3. Our commitment to combat deforestation: CFI and CÉMOI.. P.6



CHAPTER 2 OUR GOALS BY 2025

- 1. CSR: as determined as ever..... P.9
- 2. The focal areas of our CSR policy..... P.9
- 3. Graphic: Eight ambitious areas P.10



CHAPTER 3 CSR COMMITMENTS OF THE CÉMOI GROUP: 2018 RESULTS

- 1. Social measures**
PROMOTING SOCIAL RESPONSIBILITY
AS THE CORNERSTONE OF OUR BUSINESS P.12
- 2. Environmental measures**
OPTIMISING OUR ENVIRONMENTAL PERFORMANCE
AND ENERGY EFFICIENCY P.24
- 3. Product quality and innovation**
ANTICIPATING CONSUMER EXPECTATIONS
WITH A SUSTAINABLE OFFERING OF QUALITY PRODUCTS
WITH RICH, DIVERSE FLAVOURS P.34

- APPENDICES**
- Our CSR initiatives in Côte d'Ivoire..... P.38
- Note on our indicator reporting methodology..... P.40
- Our locations..... P.41
- Group Quality policy P.42



THE
CÉMOI
GROUP

1 THE GROUP IN FIGURES

3
GENERATIONS

- > An independent family-owned group
- > Heirs to a tradition dating back to 1814
- > A stable shareholder base



200,000
TONNES

- PRODUCT SALES:
- 53% Business to Consumer
 - 47% Business to Business

24
LOCATIONS
of which
14
in France

3,300
EMPLOYEES
of which
2,200
in France

200
MILLION
EUROS
invested over 10 years



100,000
TONNES
OF COCOA BEANS
purchased by the
Group every year

1 **NO.1**
FRENCH
CHOCOLATE
MANUFACTURER



750
MILLION
EUROS

in turnover

50% France / 45% Europe / 5% outside Europe

2 >> OUR CORE VALUES



PASSION

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



SHARING

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



INNOVATION

Innovation has been part and parcel of the history of the Group since its inception. **We breathe innovation into our expertise at every stage** in the cocoa and chocolate supply chain.



COMMITMENT

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

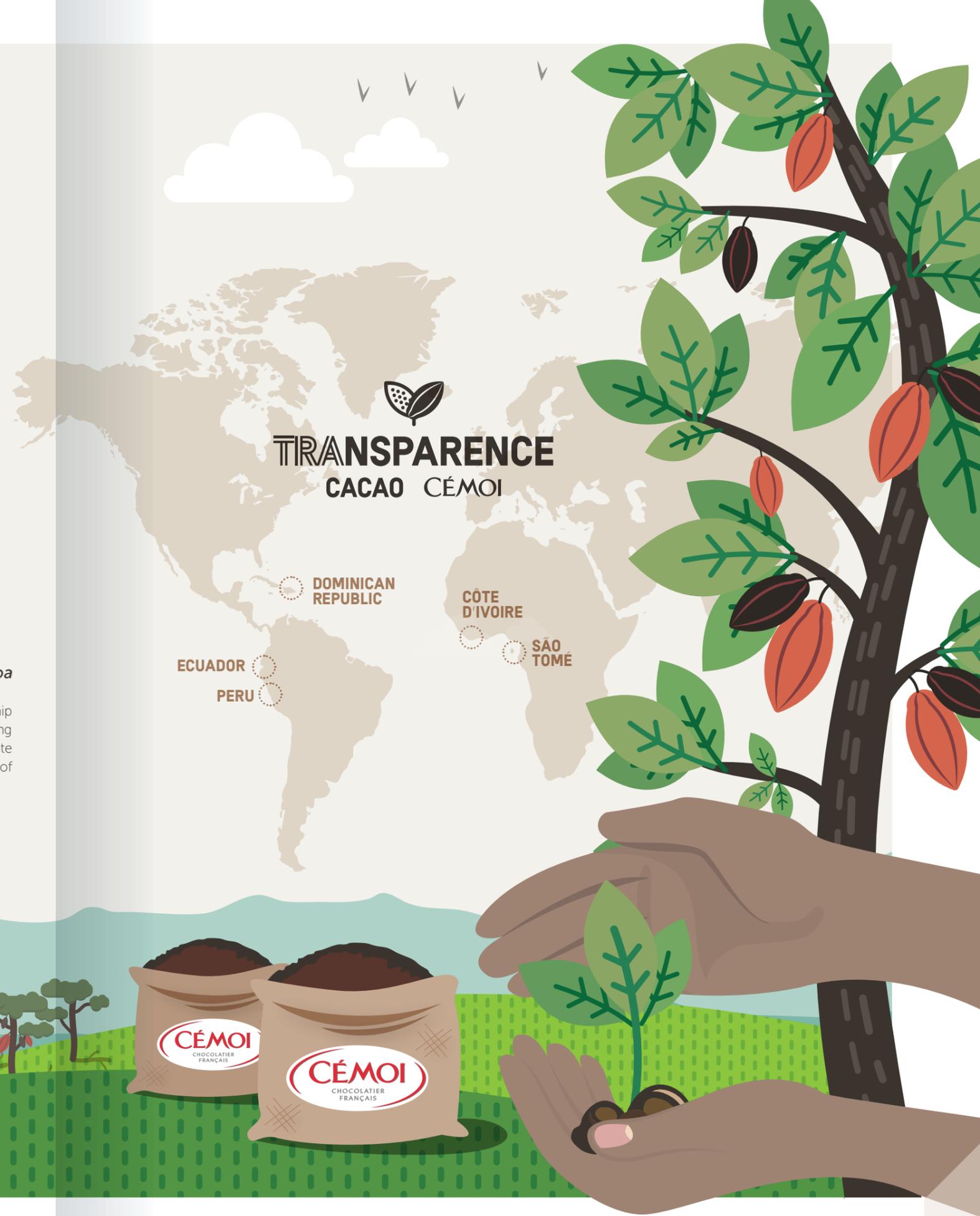
3 >> OUR COMMITMENT TO SUSTAINABLE FARMING

CÉMOI is a pioneering figure with a longstanding commitment to the sustainable development of the **cocoa trade.** A forerunner in organic cocoa farming, the Group forged strong economic links with Côte d'Ivoire, Ecuador, the Dominican Republic and São Tomé many years ago, which has enabled it to develop premium cocoa with outstanding aromatic characteristics.

In 2017, the CÉMOI Group enhanced its ranges with the addition of products bearing organic and fair trade labels such as *Agriculture Biologique*, *Bio Équitable*, *ESR-Ecocert*, *Fairtrade-Max Havelaar*, *Utz* and *Rainforest Alliance*.

An action plan further backed up by the **Cocoa & Forests Initiative.**

The Cocoa & Forests Initiative is the leading global partnership bringing together the governments of the main cocoa-producing countries and the private sector in a joint scheme to promote sustainable cocoa. CÉMOI was one of the first signatories of this initiative.



TRANSPARENCE
CACAO CÉMOI

DOMINICAN REPUBLIC
CÔTE D'IVOIRE
SÃO TOMÉ
ECUADOR
PERU

CÉMOI
CHOCOLATIER
FRANÇAIS

CÉMOI
CHOCOLATIER
FRANÇAIS

2

OUR GOALS
BY
2025

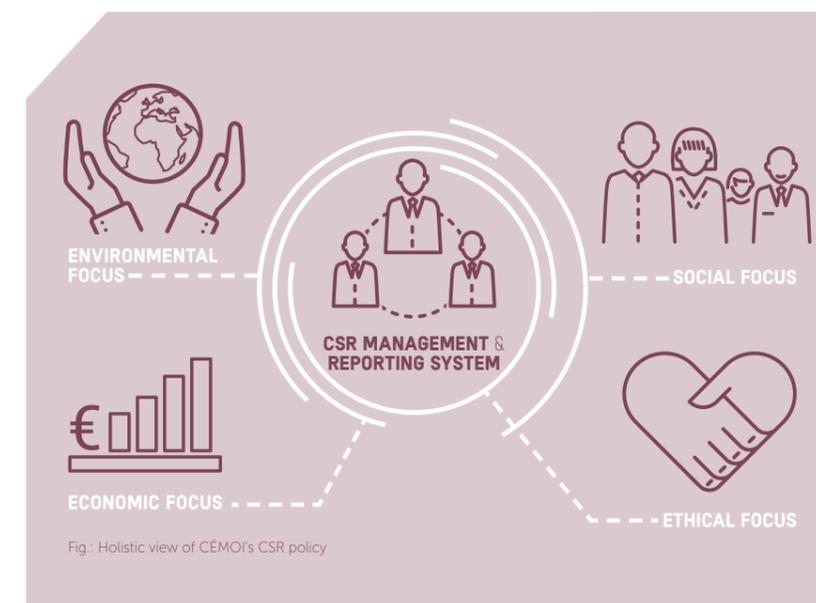
1 >> CSR: AS DETERMINED AS EVER

As a major player in the chocolate industry, we are aware of our environmental footprint and the need to preserve the forests around the cocoa plantations, lower power and water consumption per tonne of chocolate produced, and to produce less food waste. Our Group is pursuing its efforts to transform the cocoa industry to be more sustainable, more ecological and more transparent.

We are stepping up our commitments up to 2025, and rightly so. Together with our passionately committed employees we are continuing to develop our business activities, thereby consolidating our involvement in the local economy.

2 >> THE FOCAL AREAS OF OUR CSR POLICY

A central aspect of our lines of business, CSR forms an integral part of our practices and our continuous dialogue with our stakeholders. **The CÉMOI Group routinely monitors 30 indicators, with careful control of the CSR decision-making centres.** These indicators are grouped into four focal areas, which place the notion of transparency at the centre of our CSR policy:



EIGHT AMBITIOUS AREAS

IN WHICH CÉMOI IS COMMITTED TO ACHIEVING RESULTS BY 2025

1 • Reducing accidents at the workplace by 20%

2

- 100% of our cocoa suppliers commit to our CSR charter (Référence)
- 100% of our cocoa suppliers' commitments are reviewed every 2 years
- 100% of our food purchases excluding cocoa are subject to CSR commitments
- 100% of our vegetable fat (palm, palm kernel) is certified sustainable

3 • 100% of the packaging for our products in France is recyclable, reusable or compostable.

4

- 30% of the energy we consume is from "green" energy sources (renewable and local) instead of fossil fuels
- At least 90% of the waste from our factories is recycled or recovered



5 • To double the number of hours of training for our employees

6

- 80% of our purchases excluding cocoa are made in France
- 99% of our end products sold in France are manufactured in France

7

- 90% of products under the CÉMOI brand are manufactured according to our "Zero Additives" policy
- 90% of products under the CÉMOI brand are "palm oil free"
- Average sugar reduction of 20% per recommended portion

8 • To publish our activities and progress in relation to the Group's 2025 CSR objectives annually and promote our partners



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3
 CSR COMMITMENTS
 OF THE CÉMOI GROUP
 2018
 RESULTS

1 >>> OUR SOCIAL
 COMMITMENT



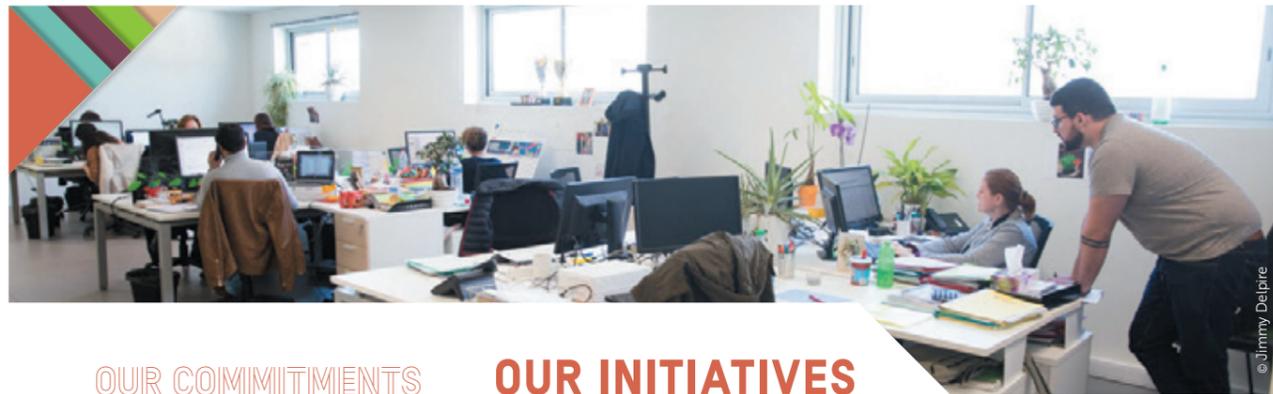
PROMOTING SOCIAL
 RESPONSIBILITY AS THE
 CORNERSTONE OF OUR BUSINESS

Aware of its responsibilities as an employer and in line with its principal mission, the CÉMOI Group continues to place health and safety at work at the top of its priorities while striving to improve working conditions and develop the skills of its employees.

Through its CAP RH human resources development project, this commitment takes a very concrete form in all its structures, with measures tailored to the context and the challenges facing the sector.



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OUR COMMITMENTS

OUR INITIATIVES



To recruit and welcome new employees



To develop and consolidate knowledge and skills



To prevent risk and protect our employees



To foster dialogue between management and workforce



To promote employee commitment



To pursue the momentum of solidarity

1. Recruiting and welcoming new employees.....

In 2018, the Group continued its recruitment plan with the following objectives: to enable its teams to overcome challenges by providing new skills, to gradually replace employees who retire while ensuring their know-how gets passed on to the new generations. To recruit employees, we partner with numerous local players: Pôle Emploi, APEC, Cap emploi, etc.

In 2018, the group recruited 162 employees on open-ended contracts.

The induction day first introduced by the Group in 2017 was repeated in 2018. This internal training day for all new recruits with open-ended contracts at CÉMOI locations in France is designed to reflect our values: sharing, innovation, commitment, passion. It also allow the new recruits to build contacts and talk in person with the members of the Group's Executive Committee, who lead the day's activities in person. By the end of this day of training, the Group's new recruits, whatever their function or status, have gained a better understanding of the company and its strategic goals and have become genuine ambassadors of its values.

- CÉMOI helps integrate young people into the world of work by offering them internships or apprenticeships as part of courses of study ranging from professional baccalaureate (Bac Pro) to postgraduate diploma. These young apprentices, sandwich-course students or trainees constitute the Group's talent incubator.
- The Group has set up several partnerships with schools or universities by allocating its apprenticeship tax to them, the purpose being to cooperate in various fields of expertise. For example, we are partners of Agrapole Isara, which trains agronomists; Kedge Business School, which specialises in supply chain and quality management careers; more general higher education establishments such as Polytech and Icam; Idem, a creative arts school; UPVD (University of Perpignan) and Imerir, a graduate school in Robotics and Computer Science.

41.8%

OF THE WORKFORCE WERE WOMEN IN 2018 at our sites in France



DISABILITY AGREEMENTS SIGNED IN 2018

aimed at strengthening our efforts to promote and maintain the employment of people with disabilities to reduce their financial vulnerability.



GUARANTEEING THE HEALTH AND WELL-BEING OF EMPLOYEES AT WORK AND ESPECIALLY REDUCING THE NUMBER OF ACCIDENTS IS A MAJOR COMMITMENT FOR CÉMOI.

Each and every employee has a role to play in preventing accidents at the workplace. Safety is the prime indicator in the employee incentive plan for all the Group's locations in France.

2. Developing and consolidating knowledge and skills.....

One of the characteristics of the CÉMOI Group is that it is present at every stage of the supply chain and consequently has at its disposal a broad spectrum of trades and skills. In this context, continuing professional training is of key importance to maintain, adapt and develop skills. In 2018, the Group's Executive Committee gave the go-ahead for additional investment representing €300,000 per year for training for 2018 and 2019 at all its locations in France.

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

INITIATIVES AT THE DIFFERENT LOCATIONS:

In 2018, the locations of Torremila and Bourbourg trained line operators, the missing link in our organisation between the Process operator (moulder) and the team supervisor. Led by local human resources managers, this training course is part of the CQP line operator course and helps promote employees' career development. They receive support from start to finish of the project, which is one of the keys to the success of these line operator training programmes.

The Bourbourg location offered eight of its permanent employees a CléA course of training. This is an interprofessional diploma course recognised in all business sectors. The location offered to be a pilot for the project, the aim being to help integrate new employees and strengthen certain skills to foster their professional development within the company. This certification allows employees to consolidate their knowledge in an ever-evolving work environment and to leverage it for their own development and that of the company.

THE CLÉA CERTIFICATION COURSE COVERS 7 AREAS:

- Area 1: Communicating in French;
- Area 2: Using basic calculation rules and mathematical reasoning;
- Area 3: Using current digital information and communication techniques;
- Area 4: Working in the context of defined rules as part of a team;
- Area 5: Working autonomously and achieving a personal objective;
- Area 6: Life-long learning;
- Area 7: Gaining proficiency in tasks and postures, respecting basic rules of hygiene, safety and environmental protection.



TRAINING IN FIGURES, 2018

31 193
HOURS OF TRAINING
UP 36% ON 2017

2 754
TRAINING COURSES/
EVENTS
I.E. 7.81H OF TRAINING:
UP 35% ON 2017

1 569
PEOPLE TRAINED
I.E. 13.71H OF TRAINING PER PERSON:
UP 44% ON 2017

162
PERMANENT EMPLOYEES RECRUITED IN 2018

A FEW FIGURES



> CÉMOI'S TRAINING POLICY RESULTING FROM THE CAP RH DEVELOPMENT PROJECT

FOCUS 1

Understanding strategy and our environment

FOCUS 2

Fostering recruitment and professional development

FOCUS 3

Maintaining people in employment

FOCUS 4

Improving quality of relationships and management

FOCUS 5

Strengthening our business expertise

FOCUS 6

Supporting technological developments

FOCUS 7

Preventing risks

FOCUS 8

Adapting to new regulations

TOTAL TRAINING EXPENDITURE

€1,461,655

I.E. 2.30%
OF TOTAL PAYROLL
VS 1.57% IN 2017

BREAKDOWN OF HOURS OF TRAINING BY SOCIO-ECONOMIC GROUP

52%
MANUAL WORKERS
CLERICAL STAFF

28%
TECHNICIANS AND
SUPERVISORS

20%
MANAGERS

3. Preventing risk and protecting our employees.....

The company is working continuously to improve working conditions and safety, with the objective of reducing the rate and severity of accidents at the workplace.

In 2018 agreements on the prevention of occupational hazards were signed, including action plans for the next 3 years:

- To integrate ergonomics into the design, installation and modification of work equipment and processes;
- To train employees in charge of equipment and work processes in ergonomics;
- In the factories, to supply and make it an obligation to wear either ear muffs, or throwaway or moulded earplugs;
- Audit on carrying of loads weighing more than 12kg and related action plans to restrict and regulate load-carrying.

Another focus is on preventing psychosocial risks:

- Deployment of an identical assessment methodology for all our structures, including integration of a Single Document for Occupational Hazard Assessment including an action plan.

Example of an action plan: Plan for rituals (15 minutes) in which any issues and proposed solutions are discussed.

The 3 keys to a safety culture at CÉMOI:

1. **CULTURE OF DOUBT:** A healthy attitude of systematically questioning
2. **CULTURE OF RESULTS:** Being vigilant at all times to achieve our objective of zero accidents
3. **RESPONSIBILITY:** Personal responsibility and group self-discipline.

Regarding welfare insurance, 100% of the Group's permanent employees are covered by private health insurance as well as life and disability insurance: **Group health insurance: the basic package of guarantees offers more benefits and the employer contribution is higher than is prescribed by law.**



4. Fostering dialogue between management and workforce.....

CÉMOI prioritises openness and dialogue in its internal relations, to which it continues to take a long-term, collaborative approach. Workforce representation at the institutional and corporate level and within the European employee council enables frequent discussions to be held on the different social and economic issues. Regular meetings and initiatives in terms of negotiation foster dialogue between management and workforce which is respectful, fluid and constructive and takes into account the shared interests of the company and its employees.

In 2018, several three-year agreements for the years 2018/2019 and 2020 were signed by the Group's different companies, covering workforce and skills planning, people with disabilities, and professional equality between men and women.

For each measure in these three-year agreements, indicators have been set up and are monitored annually.

A / AGREEMENTS ON DISABILITY

These are aimed at strengthening our various efforts to promote and maintain the employment of people with disabilities to reduce their financial vulnerability.

The agreement on disability of Cémoi Confiseur has several objectives:

- To combat all forms of discrimination;
- To fully respect differences and offer equal opportunities to all employees in terms of career development;
- When adapting work organisation, to take overall disability policy into account to help maintain people with disabilities in employment;
- To hold an annual presentation of our disability policy as part of our Group Corporate Social Responsibility report.

A number of measures have been set up to achieve these objectives:

A.1. Internal measures

- Communications campaigns such as "disability breakfasts", communications over the intranet, testimonials in the newspaper to lift inhibitions and counter stereotypes related to disability and the integration of workers with disabilities;
- Support and awareness-raising for managers about disability.

A.2. External activities:

- Participation in events external to the company to communicate on the company's employment policy aimed at promoting the interests of people with disabilities, employment forum, disabilities conference;
- Request to temping agencies for a more diverse supply of personnel to include people with disabilities.

A.3. Other measures:

Support for disabled people aiming to get their disability officially recognised under the RQTH initiative: the company is committed to helping anyone wishing to apply for RQTH status, for example by putting them in touch with the relevant services (occupational health staff or social worker).

B / AGREEMENTS ON WORKFORCE AND SKILLS PLANNING

Our workforce and skills planning programme (referred to by its French acronym, GPEC) enables the company to anticipate socio-economic, technological or structural changes and adapt employees' skills.

The GPEC agreement at Cémoi Chocolatier targets several kinds of measures:

- Promoting skills transfer: to transfer know-how to the upcoming generations.

This measure has several objectives:

- To promote skills transfer in the context of recruitment and career development;
- To recruit, train and motivate new employees;
- To train and mobilise in-house coaches;
- To have a more dynamic policy on apprenticeships and internships;
- To gain employee loyalty and strengthen solidarity.

Skills are transferred by three different tutoring methods:

> **Welcome worker:** he or she provides the first-level welcome for all newcomers and helps new recruits integrate. The welcome is a prerequisite in all jobs. Every employee is a potential welcome worker at the workstation (welcome, environment, production hazards and workstation safety, etc.), there to help familiarise newcomers with the job.

> **Apprenticeship manager:** the role of the apprenticeship manager is to provide support for apprentices/trainees in obtaining their qualification. This involves regularly monitoring their progress together with the various players (school, etc.).

Indicators/objective: 100% of the apprenticeship managers identified by the management will undergo tutor training within 12 months after signing the agreement.

> **In-house coach:** professional experts with teaching skills who carry out training on an occasional basis, ensuring the transfer of know-how to new recruits and employees engaged in professional development calling for further training. They ensure that employees acquire the requisite knowledge for their chosen career path. They take part in the assessment of employees who have undergone training.



Indicators/objective: 100% of the apprenticeship managers identified by the management will undergo tutor training within 12 months after signing the agreement.

- Training:
 - > **Resource days:** to strengthen social and inter-department relations within the company, the CÉMOI Chocolatier corporate locations hold "resource days", when the factory shuts down completely. Initiated by the Bourbourg location, this day makes it possible both to pool mandatory training events (quality and safety) as well as to federate and build solidarity between the factory departments (discovering different lines of business, etc.).
 - > **Prevention of physical, economic and environmental risk:** risk prevention requires forward planning. Preventing psychosocial risks is one of the company's core concerns.

In late 2017, all employee representatives and Human Resources managers were trained by a specialist consultancy in identifying, preventing and combating psychosocial risks. The content was deployed during the first quarter of 2018 to assess the psychosocial risks and include them in the Single Risk Assessment Document, using the methodology studied during training.

C / AGREEMENTS ON PROFESSIONAL EQUALITY BETWEEN MEN AND WOMEN, AND QWL

Through these different agreements, the signatories are stating their support for the principle of professional equality in all its forms between men and women. They are underscoring their determination to develop it by promoting professional diversity and gender mix and combating all forms of discrimination. Such diversity is a factor of success and progress, as it enriches human relations and enhances the skills of each and every one in the common interest.

In its agreement, corporate headquarters, for example, opted for several measures, such as:

- Remuneration at the time of recruitment: no difference in salary between men and women at the time of recruitment not justified by objective criteria. **Indicator/objective:** the company ensures that salary levels at the time of recruitment are equal for men and women doing the same job by means of a scoreboard showing the average remuneration per socio-economic group for men and women;
- Reintegration into the workplace: the company ensures that absent employees are reintegrated into an equivalent position on their return ;
 - Indicators/objective:** 100% of absent employees return to their job or an equivalent position on their return.
- Recruitment: the company is committed to respecting equal treatment between job applications from men and women;
 - Indicators/objective:** 100% of the applications from men and women are examined.
- Internal mobility: the company ensures that men and women with equal skills are treated equally in matters of internal mobility;
 - Indicators/objective:** 100% of the applications from men and women are examined.
- Start of new school year: flexible work arrangements on the first day of the new school year for parents of children in pre-school to the first year of secondary school inclusive, up to 2 hours.
 - Indicators/objective:** 100% of employees who ask to take advantage of this measure.

FOR 2019 FINALISATION OF NEGOTIATIONS IN THE EMPLOYEE PROFIT-SHARING AND INCENTIVE AGREEMENTS BEGUN IN 2018.

FINALISATION OF THE COLLECTIVE AGREEMENTS AT CÉMOI CHOCOLATIER, CÉMOI CONFISEUR, DIPA , PHOSCAO CÉMOI CHOCOLATIER, CÉMOI CONFISEUR, DIPA AND PHOSCAO BEGUN IN 2018 AND ELECTION OF THE EMPLOYEE REPRESENTATIVE BODIES, THE CSEs ("SOCIAL AND ECONOMIC COMMITTEES").



5. Promoting employee commitment

THE "AMBASSADOR" INITIATIVE, set up in 2017 continued in 2018 with the launch of the activities chosen by the participants in the "Ambassador Tour": tastings and factory open days.

Two tastings were held in June and October 2018 at all the company's French locations. These opportunities for sharing and discovering the Group's innovative products were hugely successful with the employees. They got the chance to taste:

- In June: the chocolate paste made with cashew nuts at our Ivorian location, chocolate bars with a salted liquorice filling specially designed for the Scandinavian markets, the Empreinte 75% Ecuador medallions, a gourmet product with innovative packaging.
- In October: a bold box of chocolates produced for Christmas and promising a journey of discovery for the taste buds, globetrotting double-twist chocolates with oriental, Canadian or Mediterranean flavours, and Chardons des Alpes ("Alpine Thistle") liqueurs.

These twice-yearly tastings will continue in 2019.

Most of the factory and warehouse open days took place during the second half of 2018. The main aim for the employees was to share and help others find out about their factory or warehouse, know-how and products. The open days will continue during the first quarter of 2019.

A NEW INTRANET WAS ROLLED OUT IN JULY 2018

The Group intranet has not only been revamped; it has also been transformed into a collaborative space for the Group. Thanks to improved ergonomics and more intuitive functions, our intranet has become a collaborative, social intranet offering the possibility of creating user communities – a veritable internal social media network.

This development has made it possible to get Group-related information flowing smoothly and improve internal communications.





6. Pursuing the momentum of solidarity.....

CÉMOI, *un Grand Cœur pour une Grande Cause* – CÉMOI, A Big Heart for a Great Cause – this slogan illustrates the Group's attitude where solidarity is concerned. For the past eight years, CÉMOI has demonstrated its sense of civic responsibility and solidarity by taking part in the Téléthon, a French national charity that raises money to combat rare diseases. Every year, a vast wave of solidarity is launched with a whole series of activities aimed at mobilising our employees to raise money as part of the Téléthon.

This campaign illustrates one of the Group's most important values: sharing.

Sharing to provide support, sharing to give hope – this is the meaning behind the CÉMOI Group's commitment to the AFM-Téléthon association.

In 2018, some one-hundred Group employees accompanied Mathilde, the ambassador of last year's Téléthon, to the summit of the Canigò, the emblematic summit of the eastern Pyrenees, which peaks at 2,784 metres.

Diagnosed at the age of five with myopathy, Mathilde spent years in a wheelchair, unable to walk 20 metres without being exhausted. It was after a consultation in January 2016 at the Institute of Myology, created by AFM

Téléthon, at Pitié-Salpêtrière Hospital in Paris that she was diagnosed with a syndrome for which treatment exists!

Since taking this treatment, her life has changed: she has discovered life without a wheelchair, such as taking the metro on her own. In 2018 she set herself a new objective: to climb the Canigò, her dream – a 4-hour hike. CÉMOI rallied to this message of hope borne by Mathilde and which echoes our values of sharing and commitment.

On 30 June 2018, a group of employees from corporate headquarters and the Torremila location accompanied by their families made their way to the summit with Mathilde. A magnificent human adventure and a feat for Mathilde, as well as for all the other participants, carried along by this young woman's iron determination. Other events were organised by the employees at our different locations, which have been mobilised for the past eight years to raise funds for AFM Téléthon; they included cake sales, sales in town centres, solidarity lunches and sports challenges. The employees' participation is a factor in the success of these events.

THE FIGURES

MOBILISATION OF OUR EMPLOYEES

OVER
€189,000
RAISED IN 8 YEARS

SALES FOR THE BENEFIT OF AFM-TÉLÉTHON

€13,000
RAISED IN 2018
by the CÉMOI locations

300

EMPLOYEES MOBILISED EVERY YEAR

IN 2018, AN EXCEPTIONAL EVENT OF SOLIDARITY: ASCENSION OF THE CANIGÒ WITH MATHILDE, CURED OF A FORM OF MYOPATHY THANKS TO THE TELETHON AND RESEARCH

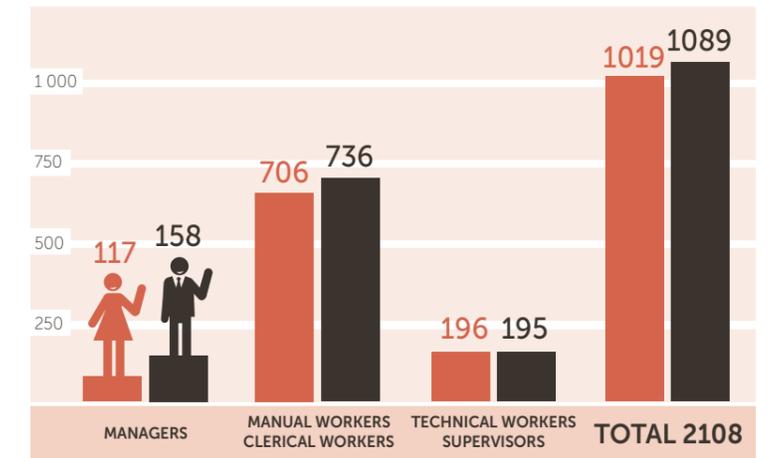


KEY LABOUR INDICATORS

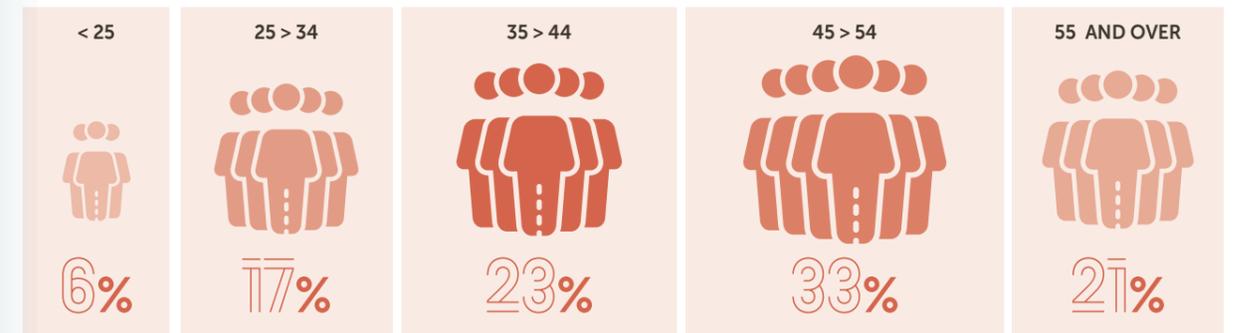
> BREAKDOWN MEN/WOMEN



> WORKFORCE BY GENDER, CONTRACT AND CATEGORY AT 31/12/2018



> BREAKDOWN OF SALARIES BY AGE BRACKET, IN %



> NEW OPEN-ENDED AND FIXED-TERM CONTRACTS IN 2018

TYPE OF WORK CONTRACT	FIXED-TERM	OPEN-ENDED	TOTAL
MANAGERS	9	23	32
CLERICAL WORKERS	32	6	38
MANUAL WORKERS	23	91	114
TECHNICAL WORKERS SUPERVISORS	37	42	79
TOTAL	101	162	263

The Group employed 1,416 seasonal workers in 2018 at its 5 seasonal locations.



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OUR INVOLVEMENT IN THE LOCAL ECONOMIC FABRIC

CÉMOI is still a player with deep social involvement at the local level.

The business activities of the chocolate industry have an economic and social impact at the regional, national and global levels. Locally, the Group directly helps create jobs and business through its subcontractors and suppliers. It also generates jobs indirectly and stimulates regional business through training and skills-sharing, by supporting local businesses and via partnerships. Its attachment to the region involves constructive dialogue with the local population, authorities and economic players.

OUR COMMITMENTS

- > Initiatives for social integration at the local level
- > Implementation of a research centre in close collaboration with local players
- > Partnerships in specific domains

OUR PARTNERSHIPS.....



QUALIMÉDITERRANÉE

Where innovation is concerned, the region offers numerous opportunities. Since June 2013, CÉMOI has been involved in Qualiméditerranée, France's third-largest technology cluster and a reference agrotechnology centre in the European Mediterranean region. Together with key players from the region's business, technology and agronomy sectors, the Group is driving numerous multidisciplinary projects.



PERPIGNAN UNIVERSITY

The University of Perpignan is a centre of higher education and multidisciplinary research recognised internationally for its excellence. It is therefore only natural that the CÉMOI Group should seek to harness its expertise and skills. CÉMOI has undertaken to take a 40,000-euro share in the capital of the UPVD Foundation over four years and is a founder-member. This involvement is enabling it, among other things, to fund projects initiated by the UPVD Foundation, such as educational support for students who are high-level athletes, the highlighting of students' work through travelling exhibitions, and the construction of an "incubator hotel for innovative businesses", which was completed in 2018. Jean-Pierre Cerles, director of Human Relations and Corporate Communications of the CÉMOI Group, was appointed vice-president of the UPVD Foundation in December 2018.



AREA OCCITANIE

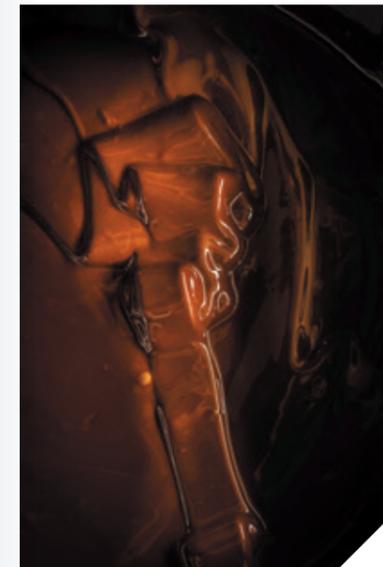
CÉMOI is a member of this body and involved in numerous activities: AREA OCCITANIE is a regional association of food businesses which enables agrifood businesses to get to know one another better and share their business development experiences.



VISA POUR L'IMAGE

Visa pour l'Image is the world's largest photographic event and takes place every year in Perpignan.

Photographs taken by top journalists are exhibited throughout the city for a fortnight. Its local variant is VISA OFF. Set up in 1995, it offers amateur photographers a chance to exhibit their works in Perpignan city centre. It is organised annually by the city's shopkeepers and the Chamber of Trade and Industry (CCI). For the festival's 23rd edition, CÉMOI joined forces with Jimmy Delpire to hold a moving, artistic exhibition that plunged visitors into the heart of all things chocolate.



BOUTIQUE CÉMOI

It is also our wish to be involved in the economy of the Perpignan basin. In 2012, the Group set up a sales outlet right next door to its registered headquarters.

In addition to the permanent chocolate range, it also offers exclusive assortments, seasonal offers and events.

The CÉMOI has been a member of the Tourisme Gourmand en Occitanie association since 2017. The aim of this association is to promote excellence in local products and gastronomic specialities from the Occitanie region.

Currently, 13 farms and family businesses work with the association, which has some 15 sales outlets throughout the region, from Nîmes to Toulouse.

This work is supported by the Occitanie Regional Tourist Board, which has helped set up training courses for the guides hosting these tasting tours. 11 tasting-tour guides have now completed their training.

At the same time, the Boutique offers unique workshops all year round for groups or individuals in which they are initiated into the secrets of the chocolate industry!





2 >>> OUR COMMITMENT ON ENVIRONMENT ISSUES



TO OPTIMISE OUR ENVIRONMENTAL PERFORMANCE & ENERGY EFFICIENCY

The environment is a permanent concern for the Group, which is redoubling its efforts both upstream of the industry, with our programme TRANSPARENCE CACAO and our commitment to combat deforestation, and downstream, with increasingly environmentally efficient factories.

The Environment focus of the TRANSPARENCE CACAO programme is based on a clear vision of "forest-friendly" chocolate: chocolate that helps farmers in their efforts to protect the environment, combat deforestation and apply agroforestry techniques to cocoa farming.

Being one of the first companies to sign the *Cocoa & Forests Initiative* is part of this ambitious vision of a sustainable cocoa industry.



OUR COMMITMENTS



To be a stakeholder in the agronomic development of the cocoa plantations, with a dual concern for respect for the environment and social integration



To know the quantity of greenhouse gases we produce and to identify and implement ways of reducing them



To reduce our water consumption



To improve management of our waste and to recycle more



To design packaging to reduce our impact on the environment



To optimise the existing means of transport and develop alternative means

OUR INITIATIVES

1. Responsible sourcing and cocoa traceability policy.....



CÉMOI is committed to "knowing its suppliers and securing supplies", and is consequently strengthening its control along the entire production chain, from the cocoa bean harvest to the consumer.

CÉMOI has been involved in virtuous programmes of sustainable development for more than 20 years. The vision of CÉMOI is to offer quality cocoa that will generate value added, both with and for the benefit of all the players in the industry.

To achieve this, the Group is implementing measures to be able to trace its cocoa supplies – **100,000 tonnes of cocoa beans purchased – right back to the farmer.**

COMMITMENTS UNDER THE TRANSPARENCE CACAO PROGRAMME

Our TRANSPARENCE CACAO programme is an invitation to all our customers and consumers to join us. Numerous technical and institutional partners are assisting us in this, including GIZ, Rabobank, Mars, Ritter, Yildiz, Carrefour, etc.

The TRANSPARENCE CACAO programme enables our agronomists to work with farmers from the Republic of Côte d'Ivoire.

The 29,000 farmers concerned by the programme undergo training to help conserve their plantations and improve their working conditions.

These training courses, developed by technicians at the fermentation centres, help transform them into genuine agronomy professionals.

These measures are already delivering results:

- Improved quality;
- Higher per-hectare yields;
- Higher income for the farmers;
- Improved quality of life for the communities dependent on cocoa.

These higher yields should also provide the cooperatives with the means to fund new infrastructure, such as schools, roads or other community projects.

With our TRANSPARENCE CACAO programme, we are helping turn the cocoa farms into profitable and attractive entities for the future generations of farmers, while respecting the environment and the existing structure of agriculture.

The accent is also on exemplary, responsible processes in the interests of quality, ethical cocoa.

Today, the programme forms an integral part of all our packaging: consumers can also find out about our progress thanks to our dedicated TRANSPARENCE CACAO web page.

www.transparence-cacao.com



OUR PROGRESS IN 2018



ENVIRONMENT

1,553
HECTARES

COCOA ORCHARDS REHABILITATED,
out of 57,000 hectares



© Jimmy Delpire



ENTREPRENEURS / FARMERS

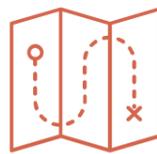
37%
OF FARMERS TRAINED

22,384
FARMERS TRAINED

> 19,467 farmers trained in good farming practices
> 2,917 farmers coached



© Jimmy Delpire



TRACEABILITY

100%
TRANSPARENCY FOR COCOA

33% CACAO EXCELLENCE, PRÉFÉRENCE, ORGANIC COCOA, OTHER QUALITY LABELS

67% CACAO RÉFÉRENCE



© Jimmy Delpire



COMMUNITIES

15
COMMUNITIES OUT OF 100

15 COMMUNITY PROJECTS SPONSORED

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



© Jimmy Delpire

Figures at December 2018



2. Energy consumption.....

The main objectives as defined in our improved energy efficiency policy are:

- Implementing the primary energy-saving recommendations;
- Generalising variable speed drives for the most powerful motors;
- Lighting control;
- Continuing to develop our knowledge of our energy consumption;
- Maintaining ISO 50001-2011 certification at all the Group's French locations.

All our locations in France are now certified to the ISO 50001-2011 energy management standard.

Over the five years from 2013 to 2018, the energy efficiency of the CÉMOI Group rose by 8%, mainly in terms of its electricity consumption, but also that of natural gas.

The development of the ratio of total energy consumption for each tonne of chocolate produced in France reveals the impact of an energy policy that started in 2013 with the launch of the "Energy Efficiency" programme at all the Group's production sites and the partnership set up with METRONLAB to track and analyse our energy performance.

Fig 1: kWh of energy per tonne of chocolate

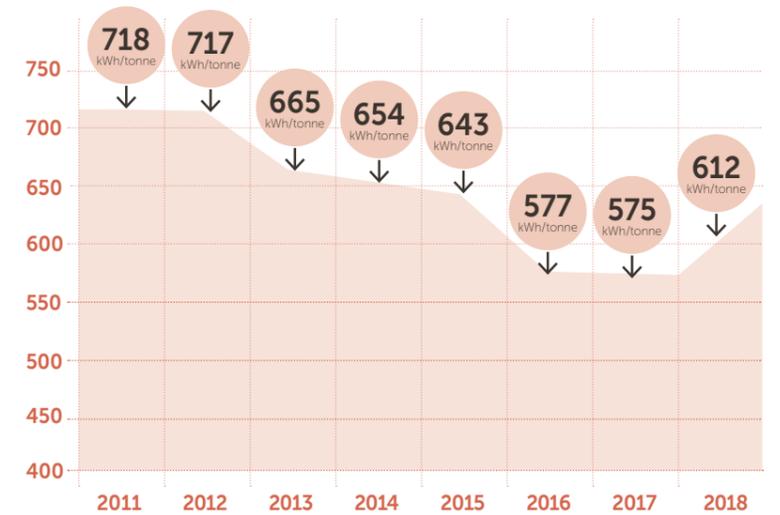
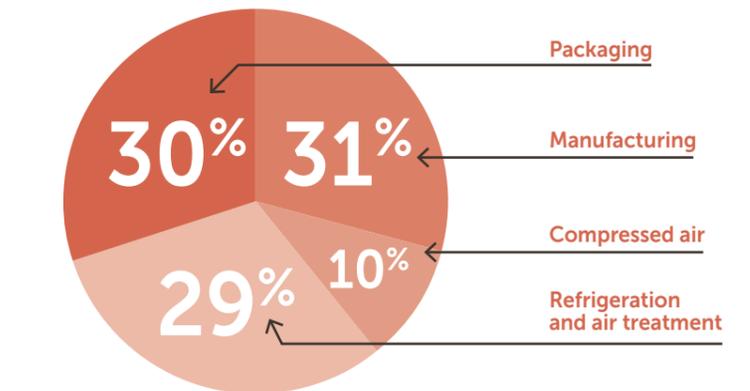
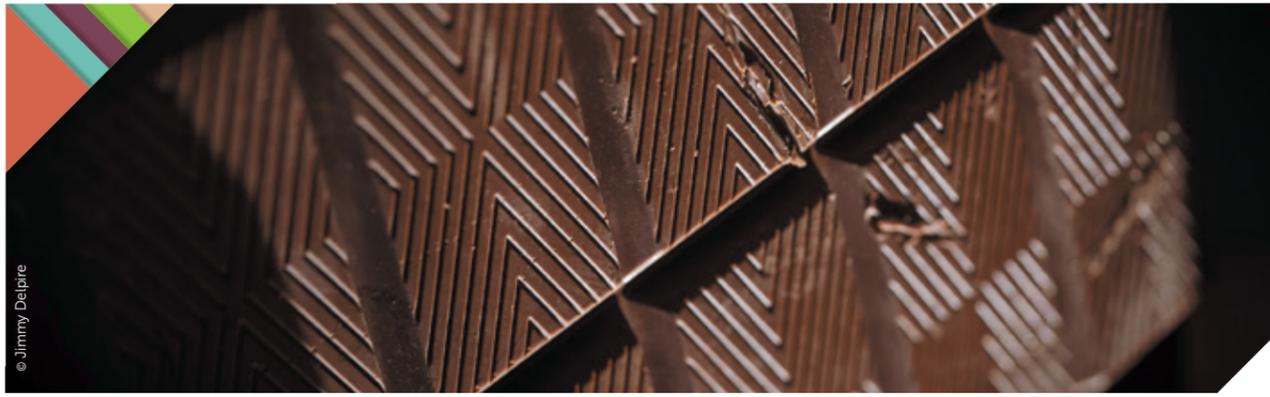


Fig 2: Breakdown of the average electricity consumption at a CÉMOI production site in France





© Jimmy Delpire

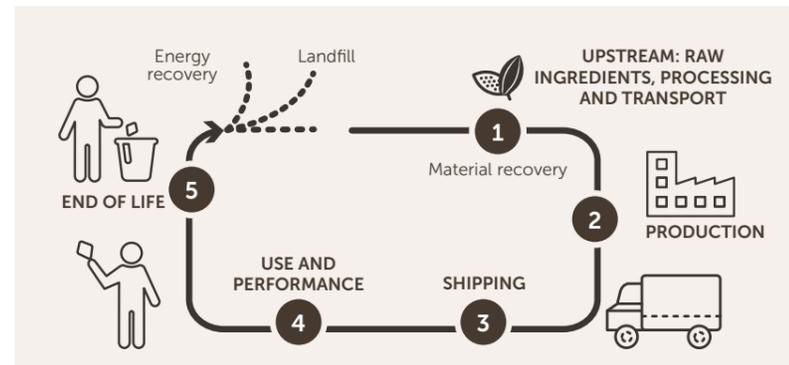
3. Reducing our carbon footprint.....

A CALCULATOR TO MEASURE THE ENVIRONMENTAL FOOTPRINT OF CHOCOLATE BARS

Responding to the climate crisis by helping consumers understand the environmental footprint of the chocolate they eat.

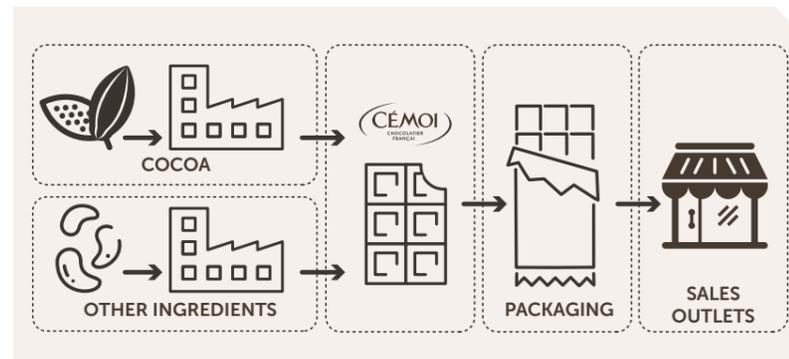
In 2018, CÉMOI developed a calculator to measure the environmental footprint of its chocolate bars. The aim of this calculator is to provide additional environmental information on our products: it informs consumers of the environmental impact of the chocolates they buy and eat. We can act in our daily lives by buying products that emit fewer greenhouse gases.

Greenhouse gas emissions are expressed in grams CO₂ equivalent.



Chocolate does not have a high carbon footprint and on average one bar of dark chocolate produces less than 500g CO₂ equivalent.

Milk or dark chocolate? With or without fruit and nuts?
CÉMOI supply chains for chocolate ingredients:



We compared greenhouse gas emissions for 3 bars of chocolate:

- "Milk praline - 3 x 150g" = 600g CO₂ equivalent for 100g
- "Hazelnut praline - 3 x 100g" = 350g CO₂ equivalent for 100g
- "Dark Ecuador 80% - 100 g" = 230g CO₂ equivalent for 100g

The cocoa and other ingredients in the chocolate bars represent more than 85% of the carbon footprint of one bar of chocolate. One milk chocolate bar produces 40% to 100% more greenhouse gas than a bar of dark chocolate (because the cow's milk and sugar added to the chocolate have a high carbon footprint).

This data was calculated by the French agency for environment and energy-saving ADEME as part of its Agribalyse project. This method of calculation allocates to each greenhouse gas (carbon dioxide, methane, etc.) a characterisation factor which enables us to calculate its climate-changing potential over a period of 100 years. The result is expressed in kg of carbon dioxide (CO₂) equivalent.

The greenhouse effect is an essential natural phenomenon, because it regulates our climate and makes our planet habitable. But human activities (including our food consumption) are causing an increase in greenhouse gas concentrations in the atmosphere, which is changing the temperature of the Earth: that is what climate change is all about.

"In 2018, 30% of French greenhouse gases came from food. CO₂ is emitted at every stage of food production: during production of the phytosanitary products and fertiliser, by farming, during the processing of the ingredients to make chocolate, by packaging, by the storage methods, during distribution to the consumer, enjoyment of the chocolate and at the end-of-life of the packaging (and any leftover chocolate if the consumer does not eat up every last crumb)."

Joaquin Munoz, Director Sustainable Development



© Jimmy Delpire

4. Water consumption.....

Our business does not have a major impact on water consumption; nevertheless, it is worth taking precautions to prevent excessive consumption.

The great disparity between locations is explained by the use of water in processes and the rinsing carried out in certain factories.

In 2015, an average 631 litres of water were needed in France to produce 1 tonne of chocolate.

In 2016, 613 litres or 0.613 tonnes of water for 1 tonne of chocolate.

In 2017, 638 litres of water per tonne of chocolate.

In 2018, 656 litres of water per tonne of chocolate.

117,000 m³ of water were used by the CÉMOI Group in 2018.

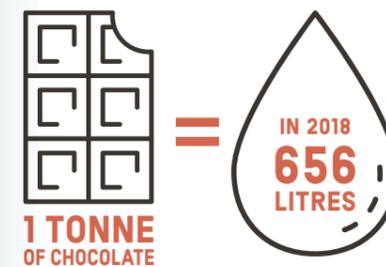


Fig. 1: Litres of water per tonne of chocolate

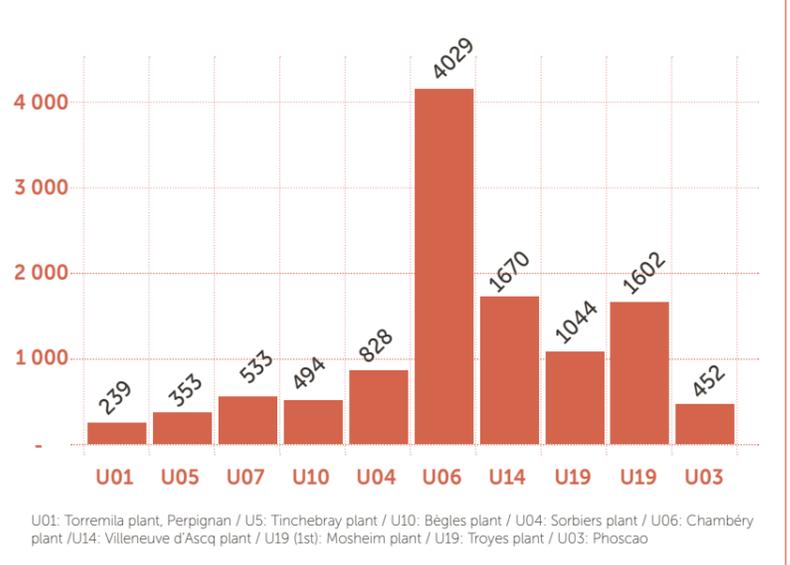
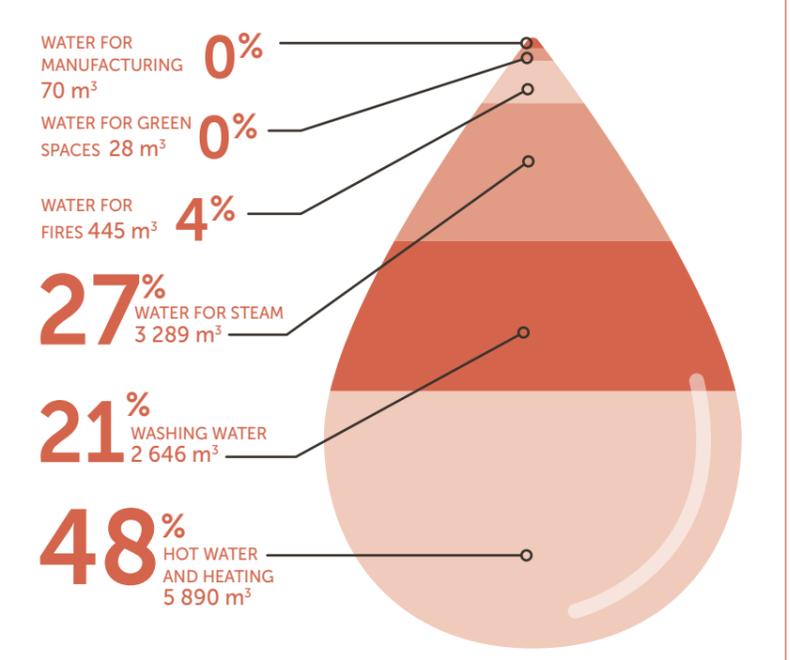


Fig. 2: Breakdown of the type of water consumption in m³ (actual 2017 figures for the Torremila plant).





© Jimmy Delpire

5. Managing our waste

The waste recovery performance of the CÉMOI Chocolatier de Torremila plant is exemplary: in 2018, it stood at 93%. This performance is due to the measures taken in the context of its ISO 14001 certification.

Some plants recover more than 20 different types of waste and are continuing to work to recover materials such as plastic, which can still be found as OIW (ordinary industrial waste).

The Group's average performance stands at 78%.

Monitoring of the company's CSR performance in place since 2015 for all our plants is now enabling us to extend traceability to all the Group's locations in France.

Fig 1: Group's waste recovery rate in %.

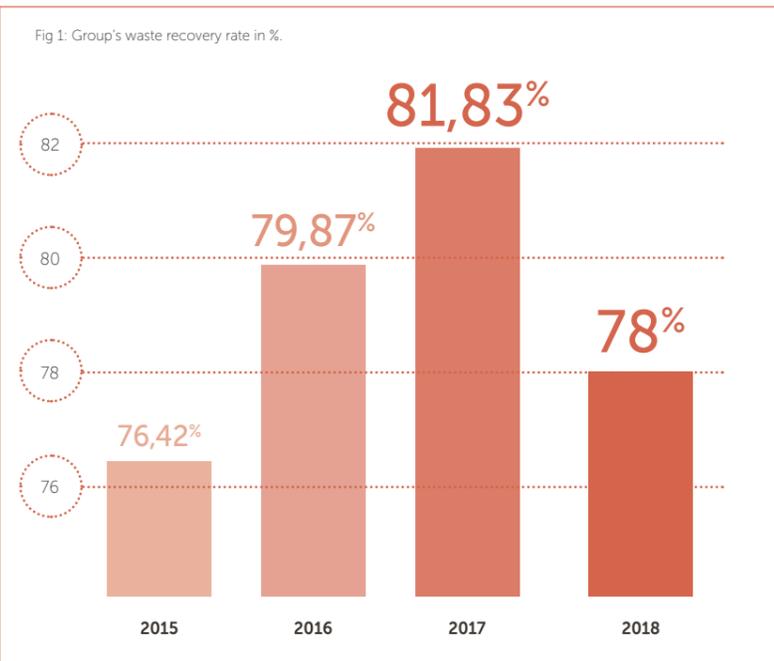
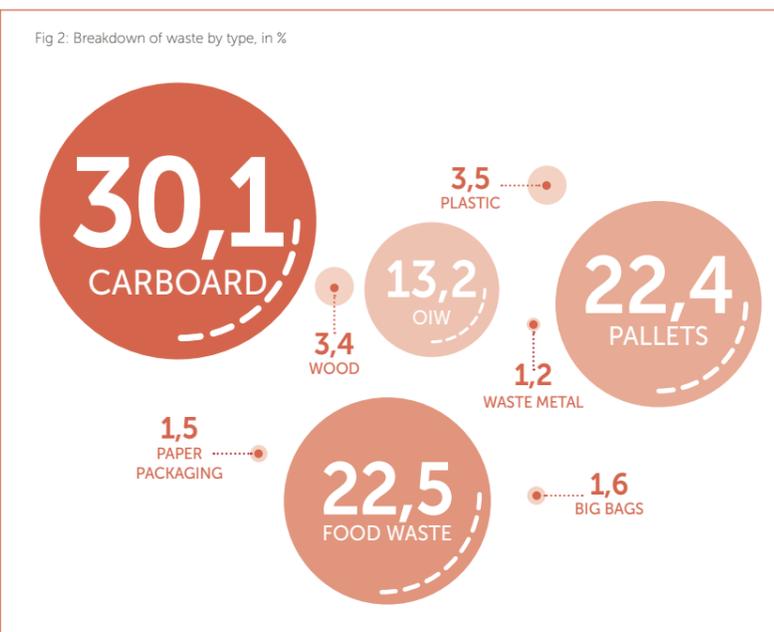


Fig 2: Breakdown of waste by type, in %



FEATURED
FIGURE

93%

OF WASTE IS RECOVERED
at the Torremila plant, which holds the highest score.



© Jimmy Delpire

6. Packaging

We take the following measures in relation to our packaging designs to reduce their impact on the environment:

- Waste-sorting recommendations have appeared on all packaging since 2014 with the ITPV (Info Tri Point Vert) graphic;
- To fulfil our extended producer responsibility obligations (EPR), we have been members of and contributed to the different environmental bodies, both French (Eco-emballages) and European (Der Grüne Punkt, Fost Plus, Ecoembes, Ara) since their creation;
- For overpacking (cardboard boxes, displays), we use paper-based packaging, 30% of which comes from virgin fibre and around 70% from recycled paper. This overpacking, which adds up to some 2,000t/year, is made from FSC-certified paper (Forest Stewardship Council);
- Modifications to our Christmas assortment box packaging: packaging of some ranges reduced from 7 to 3 components: packaging weight cut by 15% + quantity of packaging, totalling 18 tonnes/an (2016 figures);
- For most of our voluminous packaging (plastic box, corrugated cardboard), we choose suppliers within a maximum radius of 200 km to limit transport costs and the impact on road transport;
- Formal packaging quality policy setting out our commitments, stances and requirements;
- Total exclusion of PVC from consumer sales unit packaging;
- Staff in charge of developing packaging are trained in ecodesign.

Optimisation of our palletisation plans:

- Stacking of private label ballotins: 14 inter-factory journeys saved (50%), equivalent to 840kg of CO₂ and 266 litres of diesel (not counting the journeys between warehouse/customer);
- Stacking of kg tubs of marshmallow and reduction of tub height: 33 inter-factory journeys saved (50%), equivalent to 2,000 kg CO₂ and 627 litres of diesel (not counting the journeys between warehouse/customer);
- Use of consigned instead of non-consigned pallets: since 2013, this modification has prevented 500 tonnes of wood a year from being thrown away;
- PVC (polyvinyl chloride) replaced by polyester;
- Project being studied with the teams in Côte d'Ivoire to eliminate some or all of the pallets in the flow of containers from Côte d'Ivoire to France and Poland. This project would allow us to optimise container use, limit the use of special wood pallets and make economic savings, etc.

Another project being studied is aimed at reducing the use of plastic in packaging and prioritising renewable resources wherever possible to reduce our environmental footprint.

For example:

- Trial of recyclable paper bags versus plastic bags;
- Chocolate powder box in cardboard instead of plastic ;
- Development work on film made from compostable cellulose fibre;
- Organically sourced, compostable insert tray;
- Collaboration with ALLIANCE 7 as part of a call for projects by the recycling company CITEO for alternatives to non-recyclable film wrap.



7. Managing stocks and optimising flows to our customers.....

All our proprietary and outsourced warehouses have IFS Logistics certification. IFS Logistics is a response to the joint objective of trade and industry to create transparency and trust across the entire supply chain. The IFS standard, specifically developed for storage, distribution, and transport, as well as loading and unloading activities, is suitable for implementation in environments managing both food and non-food products.



We are continuing to work with our customers on the management of inventory at risk to optimise them and prevent the fragmentation of flows in order to deliver "just in time" and as efficiently as possible. One means of achieving this is by modelling flows, as well as using truck capacity to the full.

A / REDUCING FOOD WASTE, A PERMANENT OBJECTIVE

- Optimising stocks with the aid of efficient IT tools by preferring long production runs, and without building up excessive stocks that can lead to best-before dates (BBDs) being overrun.
- Organising production to take reduced food waste into account:
- Designing and maintaining technical installations that help combat pests; reliable equipment.

B / OPTIMISING TRANSPORT AND LOGISTICS:

CÉMOI is aware that chocolate is a finished product the principal ingredients of which come from distant regions. On the issue of logistics strategy, CÉMOI is working to optimise the numerous existing means of transport by taking into account the required temperature constraints during shipment. This is why we opt for road transport for downstream inter-European flows and shipping for the other countries (Americas, Asia, Africa, Oceania).

For the flows upstream of production, CÉMOI give precedence to maritime transport: the cocoa products leave Abidjan and arrive as close as possible to our manufacturing facilities: Port Vendres, Bègles, Dunkirk, Szczecin.



C / LOGISTICS POOLING TRIAL:

Starting from an outsourced multi-customer storage site north of Orléans, we are testing pooling with Mondelez, Nutrition&Santé and Carambar&Co, three shippers with delivery points in common with us and whose products are transported at controlled, positive temperatures below or equal to 15°C. This is the culmination of a project which began in 2017 and is now being piloted by Interlog's TMS Click&Track.

Pooling consists of shipping to one or several recipients together from one warehouse and in the same truck.

The aim is to "optimise capacity and shipping frequencies while limiting the risk of in-store stock shortages". At a time of scarcity of capacity and drivers, it also optimises the number of trucks on the road and reduces polluting emissions.

A FEW FIGURES



ECO EMBALLAGES

We invite our end customers to sort packaging according to sorting instructions printed on it. OUR MEMBERSHIP OF ECO-EMBALLAGE HAS...

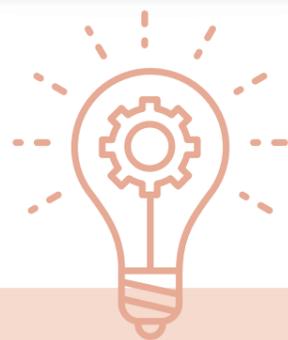
... prevented the emission of 1,541 tonnes of greenhouse gases (CO₂), equivalent to that of 863 cars a year

... achieved the following recycling rates:
2015: 48%
2016: 49%

... given 89,989 inhabitants access to sorting (for comparison: Perpignan = 121,000 inhabitants)



3 >>> OUR COMMITMENT TO PRODUCT QUALITY AND INNOVATION



ANTICIPATING CONSUMER EXPECTATIONS WITH A SUSTAINABLE OFFERING OF QUALITY PRODUCTS WITH RICH, DIVERSE FLAVOURS

Possessing unique expertise at every stage of the supply chain and already recognised at the European level for the quality of our cocoas and chocolates, we are determined to become the international reference for products strong in cocoa and rich in flavour.

OUR VISION

Drawing strength from our long history, we are keen to develop a culture of excellence at each stage in the chocolate manufacturing trade. It is our conviction that everyone has a right to the best chocolate, whatever their taste in chocolate is.

Making the most of our cocoa expertise: we rely on the TRANSPARENCE CACAO programme to guarantee the origin and constant quality of our products. By selecting cocoa beans according to their characteristics, we are able to create blends and offer personalised cocoa products with characteristic flavours.

Getting the most out of the raw ingredient: we produce a wide range of chocolates that are rich in cocoa and recognised for their powerful aromatic notes.



OUR COMMITMENTS



To guarantee products of all-round quality while remaining competitive. To offer healthy, safe and delicious products made with state-of-the-art technology.



To improve the efficiency of our processes, products and services. By monitoring quality indicators we will identify the weak points in our business and take corrective action.



To ensure internal and external customer satisfaction by developing tailored service. To deliver turnkey solutions that meet requirements in terms of cost, deadlines and quality.



To deepen our knowledge of the complex raw ingredient that cocoa is thanks to our technical expertise and marketplace experience.

OUR INITIATIVES

Food safety and Food Defence.....

A / FOOD SAFETY.....

The single traceability management model we apply to our products from the farmer to the consumer enables us to guarantee quality at every key stage by means of quality controls. In addition to good manufacturing practice and an HACCP system implemented systematically, all our production sites are certified to the international IFS standard, as well as to the BRC Global Standard. Two sites have ISO 22000 certification. These certifications attest to the capability of our production sites to implement a quality management system that satisfies all food safety requirements and to regularly improve performance.

In 2013, a corporate/factory team drew up a Food Defence guide for the CÉMOI Group:

- To lower the probability of malicious attack,
- To limit the impact of incidents,
- To protect the reputation of the respective organisation,
- To meet international requirements,
- To reassure customers, consumers, the media, etc.

The team began by defining the scope of the study, the points of concern, the potential threats and the prerequisites.

The study then continued at the production sites with self-testing by means of the CARVER+Schock tool, for example.

From 2013, the production sites implemented the following measures:

- Prerequisites strengthened (e.g. perimeter fencing installed right around production sites)
- Control and surveillance of access to the sites (e.g. installation of CCTV cameras)
- Restriction of access to sensitive areas (access via biometric checks)

An annual revision is conducted by the Food Defence team to continue the process and raise the level of security at our sites.

B / FOOD DEFENCE.....

Just as accidental food safety risks are controlled by HACCP, Food Defence focuses on intentional risks. We are concerned with protecting our products against any malicious act. To do so, the Group conducts a Food Defence analysis aimed at limiting the occurrence of deliberate contamination. The Food Fraud analysis is a means of ensuring the authenticity of products by minimising their vulnerability to tampering.

C / FOOD DEFENCE & FOOD FRAUD ANALYSIS.....

We have stepped up our risk analysis since the September 11 attacks. International standards, including IFS, now include a "Food Defence" chapter to take into account intentional risks. Food Defence encompasses all activities aimed at protecting food supplies against intentional contamination or fraud (including bioterrorism).



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D / PCQI (PREVENTIVE CONTROLS QUALIFIED INDIVIDUAL).....

The Food Safety Modernisation Act (FSMA) is aimed at stepping up food controls in the USA. Under it, every enterprise manufacturing food for sale in the United States must:

- Implement a food safety plan (FSP), which must include a hazard analysis and preventive controls;
- Have one or more individuals with preventive control expertise. These individuals must undergo training based on official documentation recognised by the FDA, for which they receive a personal "PCQI" certificate. An individual thus qualified is known as a PCQI or Preventive Controls Qualified Individual.

The responsibilities of PCQIs include:

- Setting up the food safety plan;
- Validating the preventive control measures;
- Reviewing records.

To meet this requirement, the Group's Quality Management decided that:

- Every factory should have one PCQI;
- Every Quality Research and Development department at corporate HQ should have one PCQI.

The Group now has **15 PCQIs** at its French factories and at corporate headquarters and is in the process of drawing up the food security plan.

*Law enacted on 4 January 2011 by President Barack Obama.

E / PROACTIVE MEASURES ON FOOD ADDITIVES.....

Beyond simple compliance with current legislation on food additives and colorants, our teams proactively assess the risk of additives. As a matter of fact, additives are used in only a tiny proportion of our confectionery products. The objective is therefore to step up the traceability of any potentially hazardous ingredients in our products.

This is why we have developed new aromas free from nanoparticles as a substitute for additive E551. None of our products now contain this additive. We have also finalised our plan of action to replace additive E171, which is present in small quantities in our sugared almonds, despite the conclusions of the EFSA assessment on the absence of any proven health risk. In January 2018, we confirmed that titanium dioxide is no longer used in any of our products.

F / OUR STANCE ON MINERAL OILS (MOSH/MOAH).....

Mineral oils are chemical compounds with numerous applications in cosmetics and lubricants, as well as in certain glues and inks used in paper, and in paper and cardboard packaging. They are used for the crucial technical characteristics they impart to inks and glues.

These mineral oils and, more exactly, certain compounds are controversial for their effects on health, as they present a contamination risk via the packaging.

At CEMOI, the potential sources of contamination via packaging have been identified, and to reduce the risk the Group has set up a plan to progressively eliminate the use of all the controversial compounds. It is against this background that preventive measures have been taken, including drawing up our product packaging specifications with our partners, the use of vegetable or low-migration inks, the use of intermediate packaging such as sachets/film and other packaging or materials than recycled cardboard.

We have also stepped up our plan for analysing and detecting these oils, which are often referred to by the acronyms MOSH (mineral oil saturated hydrocarbons) and MOAH (mineral oil aromatic hydrocarbons), thanks to the technological advances of the packaging industry.



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G / STANDARDS-COMPLIANT PRODUCTS AND PRACTICES.....

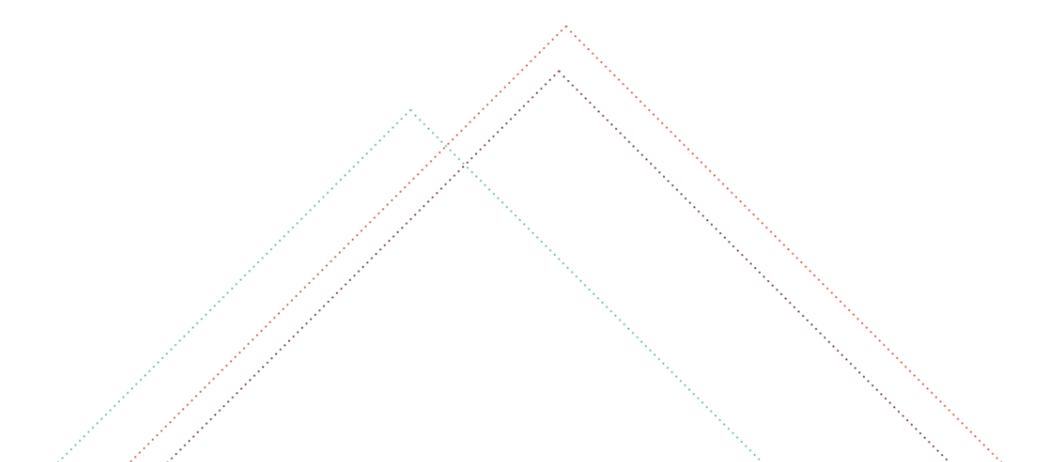
Chocolate ranges complying with the following standards (retailer and own brands):

- **The European Agriculture Biologique label** certifies that the chocolates are made with at least 95% organically farmed ingredients.
- The CEMOI range of chocolate bars complies with all these standards and is also committed to the responsible use of forestry products. All CEMOI chocolate bar wrappings have FSC (Forest Stewardship Council) certification;
- We also market chocolates with the following certifications: **Rainforest Alliance, UTZ and Max Havelaar/Fair trade, which reinforce our commitment to sustainable cocoa farming;**
- **Segregated RSPO:** the palm oil used in certain products is certified "Segregated RSPO", denoting a high level of environmental sustainability;
- **"Fair for Life"** is a certification programme for fair trade products and responsible supply chains created by the Swiss organic farming body IMO. It covers:
 - respect for human rights and dignified working conditions;
 - respect for ecosystems, the promotion of biodiversity and sustainable farming practices;
 - contribution to local development.

Our business activities and products comply with current quality and safety regulations, as well as our commitments made to our customers. We anticipate changes to the legislation thanks to continuous regulatory scanning. Despite the absence of regulatory measures, we pay particular, proactive attention to substances that are controversial in relation to consumer health.



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APPENDICES

OUR CSR INITIATIVES IN CÔTE D'IVOIRE



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SOCIAL MEASURES

Specific programmes for the benefit of the employees of CÉMOI Côte d'Ivoire have been in place for many years. The health, safety and well-being of its workforce are a lasting priority of the Group.

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

Today, our committee is acknowledged and cited at the national level. In 2007 and 2012, CÉMOI Côte d'Ivoire was awarded the **prize for the best health and safety at work committee and the best occupational health policy by CNPS, the national social insurance fund**. In 2009, CÉMOI won the Social Partner prize from Yopougon occupational health and safety authority.

We carry out a **full annual health check** on employees, during which a set of examinations (blood test, radiology, electrocardiogram, screening for breast and cervical cancer in women and for prostate cancer in men, pulmonary function, cholesterol, etc.) are carried out for the employees' benefit.

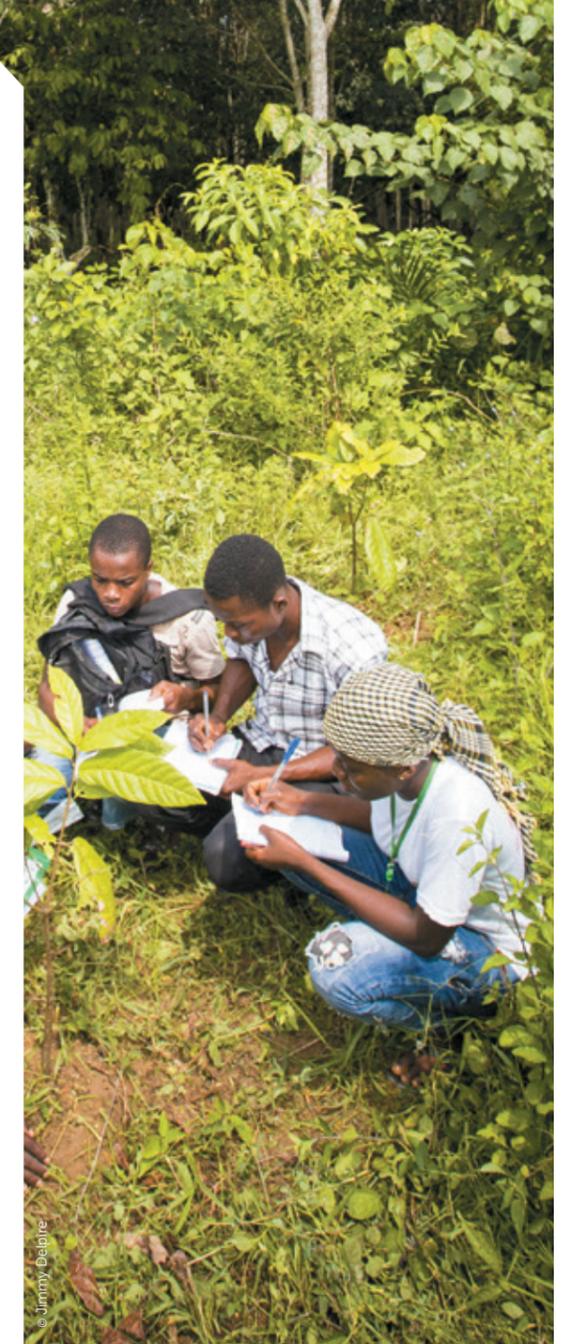
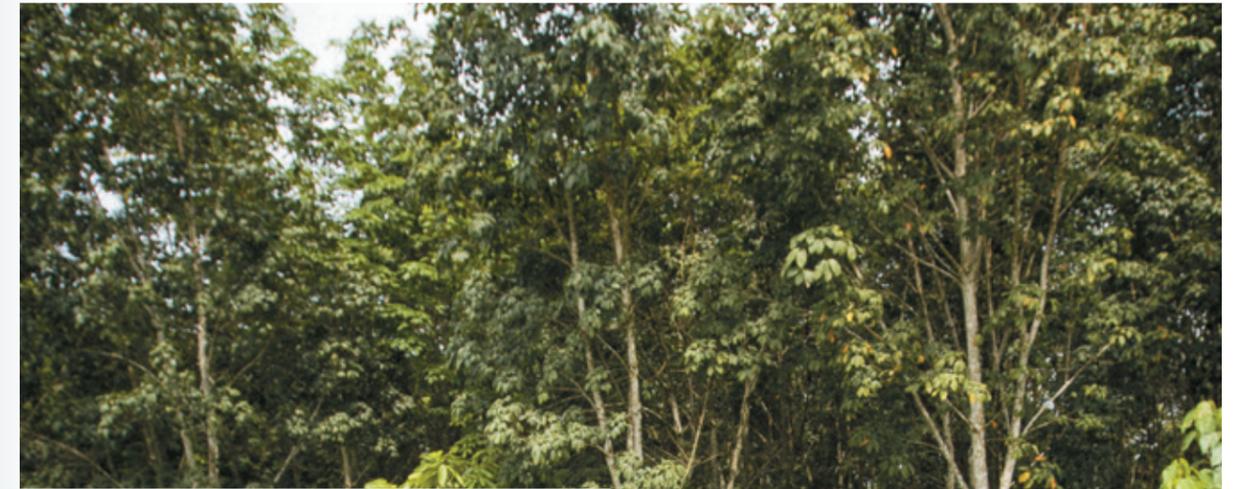
One important aspect of our social policy is the aid we provide to help our workers buy accommodation. Since 2006, more than 130 employees have benefited from this project by buying a property. We will continue our efforts to turn this dream cherished by our employees into a reality.



ENVIRONMENTAL MEASURES

In addition to the initiatives upstream of the industry with the TRANSPARENCE CACAO programme, CÉMOI Côte d'Ivoire also implements practical measures to reduce its impact on the environment.

- **Waste management:** thanks to selective sorting, 89% of the waste produced is recycled. 7 types of waste are collected and recycled (wood, plastic, cardboard, machine oil, cocoa hulls and food waste, scrap metal), and the profits paid into the mutual social insurance fund that has been set up;
- **A wastewater treatment station has been built.** After neutralisation, the water passes through a decantation, oxygenation and flocculation system to clean it before it flows into the discharge system;
- **Energy management: 80% of the steam is produced by a boiler** fuelled by cocoa bean hulls (removed during the hulling process). A filter has been installed to clean the smoke prior to discharge. Wherever temperatures allow it, LED lighting has been installed, reducing power consumption equivalent to that by 34 Ivorian households.
- **In 2018, Cémoi Côte d'Ivoire fitted new sensors** and set up a system to track its various energy consumption points in real time to advance its "frugal factory" project.
- **Work on the hull boiler** also enabled it to reduce downtimes for chimney sweeping and cinder removal.
- As part of a continuous improvement process, in 2019 **the Côte d'Ivoire team is working to eliminate the use of wooden pallets** to export its products to Europe.



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NOTE ON OUR INDICATOR REPORTING METHODOLOGY

For this financial year, we have reported on the same indicators as set out in the application decree of Article 225 of the Grenelle II Act in order to keep our data consistent with the Group's 2015 CSR report. These indicators mainly reflect objectives and not statuses. Those which could not be quantified during the first financial year have now been calculated from actual examples and quality commitments made by the Group.

We have chosen to present the report as follows:

- Definition of the scope in the different years
- Definition of the reporting criteria
- Principal results

The proposals for the Group's environmental indicators were put forward in 2012, endorsed by the network of CSR correspondents in 2013, then validated by the Group's executive committee in line with the requirements of the French NRE (New Economic Regulations of 15 May 2001) Act and the European Prospectus (EC 809/2004). Inspired by GRI data, they are largely identical to the quantifiable indicators in the draft application decree of Article 225 of the Grenelle II Act. A more detailed study will be conducted when the final version of this decree is published.

1. SCOPE OF REPORTING AND SCOPE N-1

- 2012 : voluntary basis, most of the BUs in France
- 2013 : France BUs as regards all the criteria and the whole Group as regards the environmental criteria.
- 2014 : all of France
- 2015 : all of France
- 2016 : all of France
- 2017 : all of France
- 2018 : all of France

2. REPORTING TOOLS

The environmental indicators are collected at the local level via Excel. The Group data is consolidated by the Sustainable Development department on an annual basis.

3. DEFINITIONS

Site : Establishment exercising an industrial activity and having a SIRET number (or international equivalent). Each site will state the size of its workforce at 31/12/2018 including entries/departures, part-time workers, but not interim workers and interns.

The corporate headquarters are taken into account if data is available and the workforce significant.

Number of Sustainable Development certifications: This refers to all the standardised certifications concerning matters of organisation, method or deliverables related directly or indirectly to environmental and sustainable development issues. We have opted to use the ISO 9001, ISO 14000, High Environmental Quality for Buildings and EMAS (environmental management) certifications, complemented by certifications more specifically related to our industries: IFS (International Food Standard), BRC (British Retail Consortium), GMP (good management practices), ISRS and HACCP.

Waste production (KT): Definition in the Environmental Code, Art. L541-1-1: Any substance, material, product or more generally any movable goods abandoned or destined to be abandoned by its holder.

- Special Industrial Waste (*Déchets Industriels Spéciaux, DIS*): neon lighting, IT hardware, batteries, etc.
- Ordinary Industrial Waste (*Déchets Industriels Banaux, DIB*): stainless steel, waste metal plastic, cardboard, used oil, paper, etc.

A return slip is issued for all these types of waste for the eventuality of an inspection by the regional environmental authorities (DREAL). By contrast, co-products are not counted as waste, even though they may be substantially higher in volume than that of waste (as in the case of meat production).

Energy consumption (MWh): The energy consumption of each site comprises heat and power. It also includes energy from combined heat and power generation and biomass. It is measured by:

- Counter readings on certain sites (taken by an operator; on some

sites the information will soon be transmitted automatically from the counter to the IT system)

- EDF bill: consumption figures may be based on these depending on the billing date
 - Heavy fuel oil (or other) delivery slip: again, consumption figures may be based on these depending on the date of delivery and the closing date of the consumption balance sheets of (inventory).
- Solely the energy consumption by units that we operate is considered. To add up the sources of electrical energy and heat energy, we use the following factor:

ADEME - EDF

CO₂ emissions by the different sources of electricity production

Production method	CO ₂ emissions per kWh (in grams)
1 kWh Water	4
1 kWh Nuclear	6
1 kWh Wind turbine	3-22
1 kWh Photovoltaic	60-150
1 kWh Combined heat and power	427
1 kWh gNatural gas (combustion turbine, peak hours)	883
1 kWh Fuel oil	891
1 kWh Coal	978

Water consumption (m³): "Water consumption" refers to the water entering the site for the process, cleaning, steam production and cooling. It covers our water uptake which is declared to the authorities (DREAL) every year and for which a limit is set in our operating licences. Water uptake corresponds to the water used on the site, while water consumption corresponds to that which is not returned to the environment close to its place of uptake (IFEN, French Environment Institute).

The data from the water agency is not considered, as this only takes into account the water consumed (and not returned to the environment).

Greenhouse gas emissions (CO₂ equivalent tonnes): Greenhouse gases (GHGs) are gases that absorb some of the sun's rays by redistributing them in the form of radiation within the earth's atmosphere. This phenomenon is called the "greenhouse effect". More than 40 greenhouse gases have been identified by the Intergovernmental Panel on Climate Change (IPCC), including: water vapour (H₂O), carbon dioxide (CO₂), methane (CH₄), ozone (O₃), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCS) and sulphur hexafluoride (SF6).

GHG emissions are monitored on the basis of emission factors in the Bilan Carbone method: purchased electricity, energy and vapour consumption, oil, gas, refrigerating fluids, etc. are recalculated in CO₂ kg from data available in the Bilan Carbone method.

Percentage of purchases certified by Sustainable Development questionnaires: Number of suppliers having received and returned a completed Sustainable Development questionnaire in relation to the total number of suppliers.

Percentage of SRI investment / CSR criteria: Number of companies in which CÉMOI has a minority shareholding who have received and completed the SRI rating grid in relation to the total number of companies in which CÉMOI has a minority shareholding. Ultimately, this criterion could be applied to cash investments and investments from equity funds.

NOTE ON THE METHODOLOGY FOR REPORTING HUMAN RESOURCES INDICATORS

HR INDICATORS CURRENTLY INCLUDED IN THE SOCIAL AUDIT

Workforce:

- Total workforce at 31/12: this means all the employees on the

payroll at 31/12 whatever their type of employment contract.

- Breakdown of the total workforce by age at 31/12
- Breakdown of the total workforce by sex at 31/12
- Average workforce in 2018

Recruitment: Number of recruitments by type of contract

OUR LOCATIONS

A. CÉMOI REGISTERED HEADQUARTERS,

Perpignan (66).



B. CÉMOI Chocolatier Torremila branch, Perpignan (66)

C. Phoscao, Châteauneuf sur Loire (45)

D. CÉMOI Chocolatier, Tinchebray branch (61)

E. CÉMOI Chocolatier, Bourbourg branch (59)

F. CÉMOI Chocolatier, Bègles branch (33)

G. CÉMOI Confiseur, Sorbiers branch (42)

H. CÉMOI Confiseur, Villeneuve d'Ascq branch (59)

I. CÉMOI Confiseur, Troyes branch (10)

J. CÉMOI Confiseur, Molsheim branch (67)

K. CÉMOI Confiseur, Chambéry branch (73)

L. 1 factory in Germany: Franconia, Veitschochheim

M. 1 factory in Poland: Gryf, Szczecin

N. 1 factory in Côte d'Ivoire: CÉMOI C.I., Abidjan

O. 1 factory in the UK: OP Chocolate, Cardiff

P. 1 factory in the US: Chris Candies, Pittsburgh



1 SALES OFFICE
4 SALES SUBSIDIARIES

U. 1 sales subsidiary in the US (Washington)

V. 1 sales office in Russia (Saint-Petersburg)

W. 1 sales subsidiary in Portugal

X. 1 sales subsidiary in Asia (Hong Kong)

Q. 1 sales subsidiary in Spain (Barcelona)



Q. 1 warehouse in Spain: Cantalou S.A., Barcelona

R-S-T. 3 warehouses in France



GROUP QUALITY POLICY



AMBITION

French leading chocolate manufacturer, CÉMOI has the ambition to consolidate its position as a world leader. The group aims to meet consumer expectations by offering a sustainable range of quality products with rich taste and diversified flavours.

OUR AIM: equipped with unrivalled knowledge across the entirety of the cocoa network and already well-known in Europe for the quality of our cocoas and chocolates, **we are determined to become the international reference for a product that is rich in cocoa and taste.**



STRATEGY

OUR VISION

Empowered by our history, we are very much invested in developing a culture of excellence along each step of our chocolate-making craft. We are of the firm belief that each person should be entitled to the best chocolate in accordance with his or her taste.

Value our cocoa expertise: advance and develop our TRANSPARENCE CACAO programme in order to guarantee provenance and consistent quality. Cocoa bean selection according to characteristics allows through blending, the ability to offer customised cocoa products with a wide choice of specific flavours.

Take advantage of this raw material: implement a wide range of cocoa rich chocolates, known for their powerful and aromatic notes.

OUR MISSION

With the support of our passionate teams and our chocolate experts, we want to introduce you to new tastes, ways of consuming chocolate and reinvent the pleasure that is experienced when tasting chocolate.



VALUES



PASSION

Across the major periods of our history, we were able to support our partners' pride in this profession and their passion for knowledge. This has been our group's driving force.



SHARING

At Cémoi, we believe that passion has no value unless it is shared. This exchange begins with our partners, our best ambassadors.



INNOVATION

Innovation has always been at the centre of the group's history since it was created. We integrate innovation and expertise at every step of the cocoa network and in the chocolate that we make.



ENGAGEMENT

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

CUSTOMER DEMANDS



CUSTOMER SATISFACTION

Ensure customer satisfaction both externally and internally by developing a tailored service. Deliver turnkey solutions that respect requirements in terms of costs, delivery times and quality.



QUALITY OF OUR PRODUCTS

Guarantee quality in every aspect of our products while remaining competitive. Use advanced technologies to offer good, safe food produced in a modern, hygienic environment.



INNOVATION

Expand our current knowledge of the complex raw material that is cocoa through our technical knowledge and our experience on the market.



CONTINUAL IMPROVEMENT

Improve the performance of our processes, our products and our services. Through a monitoring of quality indicators, identify weakness in our activities and carry out corrective actions.

FOOD FRAUD

Just as HACCP manages unintentional risks during manufacture, the food safety study focuses on intentional threat at all stages of procurement, storage, manufacture and delivery. We ensure the protection of our products against any malicious act. To do so, the group implements a Food Defence analysis in order to avoid where possible any occurrence of deliberate contaminations. As another defence, the Food Fraud analysis ensures food authenticity while minimising our products' vulnerability to fraudulent manipulations.



REGULATION

Our activities and products respects all applicable regulations in terms of quality and safety such as the commitments made to its customers. Regulatory changes are anticipated and implemented through continuous vigilance. Proactively we also pay close attention to controversial substances for consumer health despite the absence of any regulatory framework.



FOOD SAFETY



The traceability management of our products, from the farmer to the consumer, guarantees the product quality at each key step via our tried and tested quality controls. Besides good manufacturing practices and a HACCP system that is consistently implemented, all of our manufacturing plants are IFS certified but also BRC certified and two sites are ISO 22000 certified. These certifications guarantee the capacity of our industrial sites to implement a quality management system that satisfies all the food safety requirements and that improves its performance constantly.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



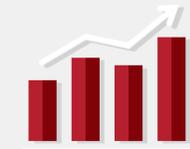
ENVIRONMENTAL

Reduce our environmental footprint in our farming and industrial activities. Promote good cocoa farming practices and industrial resources efficiency and minimize the environmental impacts of our chocolate products.



SOCIAL

Promote social well-being in both plantation and factory units. Preserve acceptable Health & Safety working conditions. Support local communities and their economic growth.



ECONOMIC

Provide economic and technical support to cocoa farmers. Promote products of integral quality: both sustainable and tasty.



ETHICS

Apply the Law and defend it wherever we work / drive Cémoi activities with integrity.

Patrick POIRRIER
Chief Executive Officer

Patrick Collin
Managing Director

Jean-Marc Laurens
Director, Quality Research and Development



MORE INFORMATION AT
group.cemai.fr/nos-engagements

or contact the
Communication Corporate
department:

- by mail: communication@cemai.fr
- by phone: +33(0)4 68 56 35 35

CÉMOI wishes to thank all the Group's
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GRAPHIC DESIGN:



www.monade.pro

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Cover photos: CÉMOI Group - Jimmy Delpire.

