

Fairtrade Cocoa Purchase Decision Guidelines

Our approach to transparent Fairtrade Volume Allocation

At Chocolat Stella Bernrain we are committed to promoting ethical sourcing practices and fostering sustainable partnerships within the cocoa industry. Our Fairtrade cocoa purchase decisions are guided by a comprehensive set of criteria that reflect our dedication to quality, long-term collaboration, social responsibility, and meeting the needs of all stakeholders involved. We believe in transparency and accountability in our procurement process, and we are pleased to share the factors that influence our Fairtrade cocoa volume allocation decisions.

1. Quality: Ensuring the highest quality cocoa is a priority for us. We evaluate the sensory attributes, such as taste and aroma, of the cocoa beans to ensure they meet our stringent quality standards. Besides quality of taste it is of high importance that our organic cocoa is free from pesticide contaminations and that all the cocoa we purchase does not exceed legal heavy metal limits such as for cadmium.

2. Long-term Partnership: We value long-term relationships with our cocoa cooperatives. Our commitment to building sustainable partnerships drives our decision-making process.

3. Our Need and Forecast: We assess our internal requirements and forecasts to allocate Fairtrade cocoa volumes in a manner that supports our production needs while avoiding over-purchasing.

4. Customer Requirements: Meeting our customers' demands is paramount. We consider our customers' preferences and requirements when making volume allocation decisions. Most of our production is for private labels and therefore our customers play an influential role for our volume allocation.

5. Price and Availability: Fair pricing is essential for the well-being of all stakeholders. We factor in the price of cocoa and its availability in the market, ensuring fairness to both farmers and consumers. The majority of our production volume is intended for private label customers. Therefore, the preferences of our customers have a significant influence on our Fairtrade volume allocations.

7. Financial Situation of Cooperatives: We consider the financial health of the cocoa cooperatives. If a cooperative is in need, we prioritize supporting them, as we understand the positive impact our purchases can have on their operations.

8. Advanced Payments and Support: We provide advanced payments to cooperatives, enabling them to secure cocoa from their farmers without financial constraints. This support empowers farmers and strengthens the entire supply chain.

9. Main Suppliers Priority: Our primary suppliers, with whom we have established strong relationships, are given priority. We collaborate closely with these suppliers to meet our Fairtrade cocoa requirements.



10. Secondary Suppliers: In cases where our main suppliers are unable to provide the required volumes, we consider secondary suppliers. These suppliers are carefully evaluated based on their ability to meet our quality and ethical sourcing standards.

11. Collaborations: Collaborations with cooperatives in projects aimed at fostering sustainable supply chains are another factor in our volume allocation decisions. We believe that such initiatives contribute to the long-term well-being of the cocoa industry and its stakeholders.

Procurement of Fairtrade Cocoa at Stella Bernrain

The head of procurement at Chocolat Stella Bernrain authorizes all cocoa purchases for the company

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Grievance mechanism

If a person claims to represent Chocolat Stella Bernrain requests payment for Fairtrade volume allocation or if you have any other complaints about our purchasing practices, we invite you to make a complaint either via email to <u>sustainability@swisschocolate.ch</u> or via <u>this link</u> (anonymous complaints possible).

About

This document will help Chocolat Stella Bernrain align with the new Fairtrade requirement 4.5.3 -Transparent Processes for Fairtrade Volume Allocation (in force since July 2023), while also serving as a commitment to our suppliers and customers. It ensures that our sourcing practices are in alignment with our core values and guides our internal decision-making process.

Thank you for joining us on our journey toward a more responsible and ethical cocoa industry.

Sincerely,

Chocolat Stella Bernrain