

LUKER
Chocolate®



PROGRESS REPORT 2022



Certified



Corporation

CRAFTING A BETTER WORLD THROUGH THE CHOCOLATE DREAM: OUR IMPACT IN 2022



We are delighted to report Luker Chocolate's progress and noteworthy achievements throughout 2022. Through our Sustainability and Collaborative Plan, "The Chocolate Dream," we have been able to effect meaningful change for over 3,000 families every step of our journey from bean to bar.

Firstly, we proudly announce that Luker Chocolate is now a certified B Corporation. This international certification acknowledges our dedication to meeting high environmental and social performance standards, transparency, and accountability. Our inclusion in the B Corp community perfectly aligns with our values, strengthening our commitment to using business as a force for good while challenging us to continuously improve and create shared value for all stakeholders.

This shared value creation is a source of immense pride for us and forms the very essence of The Chocolate Dream. Through this approach, we aim to tackle social challenges by incorporating them into our business model. Our unwavering commitment drives us to create value, not only within our organization, but also within the communities we serve through our triple impact model.

Central to this triple-impact model is the empowerment of farmers, which lies at the heart of our mission. We endeavor to boost their incomes and improve their livelihoods. We facilitate growth and prosperity

for their families and communities through educational programs, capacity-building initiatives, and entrepreneurship support. Our focus on conservation and environmental protection fosters a sense of responsibility and care within the communities we engage.

We extend this dedication across our entire value chain. In 2022, we continued to connect customers with our Dreamers Club—a program designed to allow them to partake in The Chocolate Dream. Beyond seeking superior flavor and quality in their chocolates, these customers have sought to create meaningful emotional connections with the origin of our products, investing directly in our social, economic and environmental projects.

We extend heartfelt gratitude to our customers, employees, our partners, and all our stakeholders, who have made it possible for us to present this report today as a B Corp company. Their support illuminates our path towards ever more meaningful goals, through which we will continue to transform the world with our chocolate.

Through this Progress Report 2022, you will gain insight into our efforts and our ambitious goals, for which we still have a long journey ahead. No matter where in the world you are reading this, we invite you to learn about our work and join us in this dream, "The Chocolate Dream."

Julia Ocampo - Sustainability Director



OUR VISION FOR 2027



INCREASE
1,500
cocoa farmers'
INCOME BY 20%

5,000
families

WITH IMPROVED QUALITY
OF LIFE CONDITIONS



100% of our cocoa
with evidence of price transfer,
of no deforestation, and no
child labour.

5,000
hectares

with environmental
protection measures.



Fulfilment of 90%
of the Women's Empowerment
Principles (WEPs) to close gender gaps

*The Women's Empowerment Principles are a set of business practices that promote gender inclusion and empowerment.

OUR 2022 PROGRESS



**WE INCREASED BY
20% THE INCOME
OF 829 FARMERS**

We've elevated the earnings of cocoa producers through initiatives like Cocoa Masters, which acknowledged farmers for their sustainable practices. We rewarded them with essential tools and products for their farms, increasing their crop productivity and enhancing their families' food security.

Furthermore, with our program, The Cacao Effect, we enhanced the productivity of producers via technical assistance and essential supplies, supporting them in launching income-generating ventures.



**WE IMPROVED THE
QUALITY OF LIFE OF
3,084 FAMILIES**

Our environmental, economic, and social initiatives have a tangible impact on families. In 2022, we successfully implemented 26 projects through The Chocolate Dream, benefiting children and youth through educational programs and skill development. We also supported young people and adults with entrepreneurship projects to develop sustainable businesses and helped producers increase their income by improving productivity, quality, and environmental practices. Furthermore, the producers and workers participated in conservation, care, and environmental protection projects.





100% OF OUR COCOA WAS TRACEABLE TO THE ASSOCIATIONS AND REGIONAL BUYERS

We have strong and long-lasting connections with our regional buyers and associations. We have extensive knowledge of their locations and the provenance of the cocoa, and we are committed to regular visits and direct communication.

Additionally, our team of analysts has meticulously documented 2,503 farms, gathering vital demographic and environmental data. This comprehensive process involves visiting the farms, personally meeting with the producers, and gaining insights into their agricultural and environmental practices. The regions covered in this study include Tumaco, Caldas, Huila, Santander, Urabá Antioqueño, and Casanare.



WE PROTECTED 2,670 hectares OF LAND

Luker has multiple projects in The Chocolate Dream to promote the protection of forests, water, and biodiversity. These include the Guardians of the Dry Tropical Forest, which supports environmental care and carbon sequestration in Huila; the Cocoa Masters program, which aims to improve the income and quality of life of cocoa-growing families while ensuring sustainable practices; and the Green Guardians project, which trains environmental volunteers to promote the protection of forests, water sources, and biodiversity in plantations.





WE INCREASED OUR WOMEN'S EMPOWERMENT SCORE (WEPs) BY **10** POINTS

We recently developed a Diversity and Inclusion policy focused on promoting gender equality, providing equal development opportunities, and ensuring fair remuneration for women.

Furthermore we understand women's unique challenges and are committed to supporting them in every way possible. As a result, we have created a dedicated space within our chocolate factory for nursing mothers, offering them a safe and comfortable environment.

Additionally, we provide comprehensive training programs on diversity and inclusion, unconscious bias, and sexual harassment awareness in the workplace.

Moreover, The Chocolate Dream is committed to supporting women from cocoa farming communities in various ways, and our Entrepreneurship project, "Empowering Dreams" is a notable achievement. With this initiative, we provided 17 women with the necessary tools and resources to succeed in their businesses.



CLIMATE ACTION FOR A BETTER FUTURE

Luker's roadmap to carbon neutrality by 2030

Luker Chocolate is committed to taking action to reduce our carbon footprint and reach carbon neutrality in 2030.

With a clear roadmap in place, we're excited to share the significant progress we made in 2022.



**WE REDUCED OUR
DIRECT CARBON
EMISSIONS BY 9,95%**

We are dedicated to mitigating our carbon footprint, and as such, we develop projects each year to help us reduce our emissions in all three scopes. In 2022, we reduced our direct carbon emissions by 9.95%, mainly by lowering refrigerant and ACPM consumption emissions.

One of our most notable projects, *Sunflower*, focuses on reducing our carbon emissions in scope 2. In 2022, we installed 396 solar panels at our chocolate factory in Bogotá. This initiative will help us to significantly reduce greenhouse gas emissions, with an expected decrease of 161 tons of CO2 per year and a reduction in energy usage of 275,000 kWh annually.





WE COMPENSATED **100%** OF OUR EMISSIONS SCOPE 1 AND 2.

At Luker, we achieved carbon neutrality in our direct emissions in 2021. It means we have compensated our emissions at scopes 1 and 2 of our chocolate factory by offsetting them with carbon credits that support the conservation of forests and biodiversity protection in Colombia. It is certified by ICONTEC (the Colombian Institute of Technical Standards and Certification) following international regulations.



We want to achieve net-zero carbon emissions by 2050 and are proud to be part of the United Nations Race to Zero campaign. This global initiative brings together diverse entities, including businesses, cities, regions, investors, and educational institutions, to collaboratively address the challenge of reducing carbon emissions.

WHAT COMES NEXT? TRACEABILITY DOWN TO THE FARMER LEVEL

In this moment, 100% of our cocoa is traceable to the associations and regional buyers, and in 2022 we successfully documented 2,503 farms, gathering vital demographic and environmental data. This 2023, we will take a significant step towards greater transparency and traceability by implementing a cutting-edge system that allows our company to track its supply chain down to the farmer level. This new system will store crucial information from every stage, from when the cocoa is harvested to its transformation into chocolate.

By closely monitoring each supply chain step, we can guarantee that our cocoa is ethically sourced and free from deforestation and modern-day slavery practices.

The objective in this first stage is to work with 15 associations to document the final payment to their farmers, with specific social and environmental information.

We will utilize a blockchain-based platform to ensure all data is secure and certified. This innovative approach will improve trust and transparency throughout our value chain, benefiting our customers, partners, and the planet.

Join us as we take a significant step towards a more transparent and sustainable chocolate industry!



WE'RE NOW A CERTIFIED B CORPORATION!

As a B Corp, we are committed to using our business as a force for good, by meeting high social and environmental performance standards, transparency, and accountability. We are proud to be part of a global movement of like-minded organizations working towards a better future.

To obtain B Corp Certification, a company must demonstrate high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

In April 2023, Luker achieved a score of 92.8 in the evaluation of our operational practices, which covered topics such as collaborators, customers, environment, communities, and governance. Our impact models for poverty mitigation in the supply chain and hiring vulnerable populations were highlighted. The evaluation spotlighted our commitment to measure and reduce greenhouse gas emissions along with our use of organic products for sanitation and toxin reduction.

B Corp Certification does not mean that a company is perfect, nor that it has achieved its highest impact. Rather, is a testament to the company's efforts. As such, we will keep improving and impacting all stakeholders, continuously creating shared value.





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www.lukerchocolate.com