

## ASSURANCE STATEMENT

# Independent assurance statement for the 2014 Cocoa Sustainability Report

To the management and stakeholders of Barry Callebaut AG:

denkstatt GmbH was commissioned by Barry Callebaut AG (hereinafter referred to as "the Company") to provide independent third-party validation of the printed and online versions of the Company's 2014 Cocoa Sustainability Report (hereinafter referred to as "the Report"). The assurance brief covered the nature and extent of the Company's incorporation of the principles of inclusivity, materiality and responsiveness for stakeholder dialogue contained in the AA1000 AccountAbility Principles Standard 2008 (AA1000APS).

### Management responsibilities

The Company's management is responsible for preparing the Report, the related website content and the information and statements contained in it. They are responsible for identifying key stakeholders and material issues, defining commitments with regard to sustainability-related performance, and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

### Assurance provider's responsibilities

Our responsibilities are to:

- provide appropriate assurance that the information in the Report is accurate and free of material misstatements
- assess performance management and internal control systems from which the reported information is derived, and
- express a conclusion and make recommendations on the nature and extent of the Company's adherence to the AA1000 standard.

During 2014 we did not perform any tasks or services for the Company or other clients which would lead to a conflict of interest, nor

were we responsible for the preparation of any part of the Report.

### Scope

We have fulfilled our obligation to provide appropriate assurance that the information in the Report is free of material misstatements. We planned and carried out our work in accordance with AA1000APS. We used the criteria in AA1000APS to perform a Type 2 assessment and to provide a moderate assurance regarding the nature and extent of the Company's adherence to the principles of inclusivity, materiality and responsiveness. In addition, we have reviewed all sustainability-related content and data included in the Report for the 2014 financial year, and assessed the performance management and internal control systems from which the reported information is derived. Financial data were not reviewed as part of this process.

### Methodology, approach and limitation of work

We planned and carried out our work in order to obtain all the evidence, information and explanations that we considered necessary in relation to the scope outlined above. Our examination included the following measures:

- Group headquarters level: in order to validate the data provided in the Report, we gathered information and conducted interviews with managers and employees of the Cocoa Sustainability Department, Cocoa Sourcing, Innovation and Corporate Communications. As part of this process, we conducted spot checks of data collection and reporting processes and collected supporting evidence. We assessed and verified

information published in all four key sections of the Report:

- Strategic approach for cocoa sustainability
- Improving farmer practices
- Community engagement
- Sustainable cocoa products
- Country level: in order to validate the data provided in the Report, we gathered information and conducted interviews with the relevant managers and employees at the Company's subsidiaries in Côte d'Ivoire, i.e. Biopartenaire (Yamoussoukro) and SACO (Abidjan). As part of this process, we conducted spot checks of data collection and reporting processes and collected supporting evidence, both at the headquarters as well as during various field trips. These covered initiatives including the Farmer Field Schools, the Cocoa Center of Excellence, female empowerment projects, the Cocoa Horizons Truck and agroforestry activities. We assessed and verified information published in all four key sections of the Report (see above).
- Activities and initiatives implemented in other countries besides Côte d'Ivoire (Ghana, Indonesia, Brazil, Tanzania, Sierra Leone and Cameroon) could only be verified on a sample basis, using evidence available at the Group headquarters.

### Our conclusion

In the course of our review, nothing led us to believe that the information in the Report is inaccurate or contains material misstatements. Furthermore, we found that the Company adheres to the principles of inclusivity, materiality and responsiveness as defined in the AA1000 Accountability Principles Standard 2008.

### Positive developments

We were pleased to observe positive developments in the following areas:

- The Company has a comprehensive cocoa sustainability strategy and key sustainability issues are reflected in its governance structure. Due to the Company's commitment to the Cocoa Action initiative, key cocoa sustainability issues and stakeholder expectations will be further integrated into its strategy and future operations.
- The strategy, approach and methodology of the Quality Partner Program represent best practice with the potential to drive both business and sustainability. Impact assessment mechanisms should be introduced to achieve additional improvements.
- There are various examples of best practice in relation to improving farming practices. These include the Center of Excellence, the Cocoa Horizons Truck and the Farmer Field Schools. In addition, the Company has clear action plans for key programmes such as product certification and controlled fermentation.
- The Company is exploring new ways of deepening its cooperation with farmers. These include pilot projects such as to assist farmers with the transportation of cocoa beans for the purpose of scaling or fermentation," , and health insurance programmes.
- The Company is taking important steps to improve the traceability of cocoa by developing innovative data collection systems for farming areas. However, it will only be possible to evaluate the impact of these measures once they have been fully implemented.
- The planned establishment of the new Cocoa Horizons Foundation is a promising development. As an independent body, the Foundation would help to increase transparency with regard to the selection, financing and implementation of cocoa sustainability projects.

Key observations and recommendations concerning adherence to the AA1000 principles of inclusivity, materiality and responsiveness

*Inclusivity*

- Strategic approach: long-term goals should be defined for all measures implemented in the future with the aim of improving farmer practices.
- The Company has launched a variety of important community development projects. Nevertheless, the processes related to project selection (pre-project) and impact assessment (post-project) could be improved, for instance by introducing an assessment procedure including a scoring system.
- The Company's management is committed to the principles of inclusivity and stakeholder engagement. Nevertheless, stakeholder management procedures should be intensified and implemented more widely within the organisation.

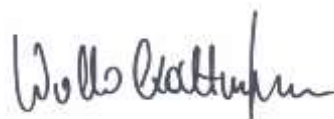
*Materiality*

- Geographical balance: the Report currently focuses mainly on projects and activities in Côte d'Ivoire. In order to maintain a geographical balance, future activities should also concentrate on other countries which are significant for the Company's operations.
- Child labour: the Company carries out various child labour-related training and awareness-raising activities. The development and implementation of effective child-labour monitoring and remediation mechanisms should be considered in order to achieve further improvements. In this respect, existing frameworks could provide guidance.
- Supplier code: monitoring processes need to be strengthened further. At present, appropriate training courses and refresher activities need to be

introduced to ensure long-term compliance with the code.

*Responsiveness*

- Once launched, the Cocoa Horizons Foundation will be an important vehicle for stakeholder dialogue, Integrating their feedback into the sustainability strategy will generate added value.
- The data collection processes in the Company are sometimes fragmented. The introduction of a reliable Group-wide data collection system (e.g. data management software) is recommended.



Vienna, 24 September 2014  
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