

# Chocolate Sustainability Report

2014/15

**70,500**

**farmers**

trained in  
good agricultural  
practices

**25,000**

**farmers**

enrolled in  
Cocoa Horizons  
Foundation activities

**159,000**

**tonnes**

of sustainable  
cocoa  
sourced

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#### About this report

Aimed at our employees, customers, and other interested members of the public, this report covers the following topics: activities related to sustainable cocoa sourcing, which currently represents about 17% of our business; sourcing of other ingredients; environmental impacts in our value chain; employee development; and health innovations. Our reporting is guided by the AA1000 principles of materiality, inclusiveness, and responsiveness. Further details on our corporate GRI indicators are available on our website. This report has been externally validated by the independent auditing organization Denkstatt GmbH. The assurance statement is available on our website. We are looking forward to your feedback, please send comments or questions to:

Barry Callebaut AG, Jens Rupp, Head CSR Communications, [csr@barry-callebaut.com](mailto:csr@barry-callebaut.com).



## Letter from the Chairman and the CEO

With production in 34 countries and customers in 131 countries, the Barry Callebaut Group is the world's leading chocolate and cocoa company.

As such, we have a long-standing commitment to sustainable cocoa, working directly with cocoa-growing communities, facilitating and even inspiring industry-wide initiatives. Having made sustainable cocoa one of the four pillars of its strategy, Barry Callebaut champions the development of sustainable cocoa farming and, more broadly, a fully sustainable chocolate value chain.

Typically undertaken by smallholder farmers in remote equatorial areas, cocoa farming faces agronomic, demographic, social, and human rights challenges. Embedding lasting change in farming communities is at the heart of our approach. We focus on generating higher income through advanced agricultural practices, driving responsible labor and environmental standards, and enabling broader community development.

Our systematic approach to innovation, implementation, and impact measurement, combined with our presence in all major cocoa-growing regions, has enabled us to scale impact and help shape a sustainable chocolate and cocoa future. This approach is fully aligned with CocoaAction, the industry initiative launched to modernize the cocoa sector.

In 2015, we established the Cocoa Horizons Foundation, building upon our 10-year, CHF 40 million Cocoa Horizons initiative that was launched in 2012. This independent nonprofit organization will further scale the impact of cocoa sustainability activities, involving customers and other partners. Over 25,000 farmers were enrolled in Foundation activities focusing on productivity increase and community development.

In fiscal year 2014/15, we have provided training to a total of 70,500 farmers, and further developed farmer support and finance services. Community programs include women's empowerment, and child protection, as well as health and education initiatives. Following the opening of our Cocoa Center of Excellence in Pacobo, Côte d'Ivoire, we inaugurated our Cocoa Learning Center in Tanah Datar, Indonesia, to spread good practices developed at our Research & Development (R&D) center in Malaysia.

We have significantly increased the reach of our sustainable cocoa and chocolate offerings to our customers. Our Gourmet brands Callebaut® and Carma® have switched to sustainable cocoa and Cacao Barry® has started the journey too. Our new sustainable HORIZONS products are traceable from farm to warehouse, and their sales directly fund activities of the Cocoa Horizons Foundation. Together with customers, we contributed over CHF 20 million in premiums to farmers and farmer groups during the year.

Whilst sustainability is a key feature of our overall strategy and a long-standing commitment we are embedding in the way we work around the world, we know that we still have a long way to go to make our business and value chain fully sustainable. Doing so will require leadership, innovation, persistence, and – more importantly – far-reaching partnerships with all players in the cocoa ecosystem.

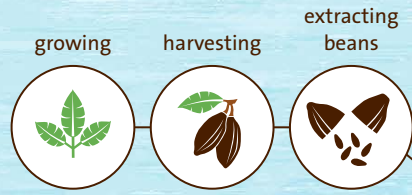
We look forward to your help and engagement as we continue to work together on our journey towards sustainable cocoa and chocolate.

**Andreas Jacobs**  
Chairman

**Antoine de Saint-Affrique**  
CEO

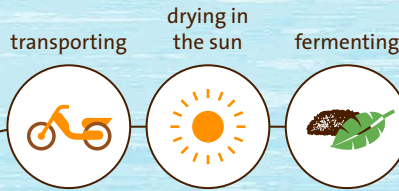
## 1 Growing and harvesting

The cocoa tree only grows in equatorial climates. More than 5 million family farms across Africa, Southeast Asia, and Latin America produce nearly 4 million tonnes of cocoa beans every year. When the pods are ripe, they are harvested and the beans are extracted.



## 2 Fermenting and drying

The cocoa beans are covered for five to seven days to ferment and develop their flavor, after which they are dried in the sun for approximately six days.



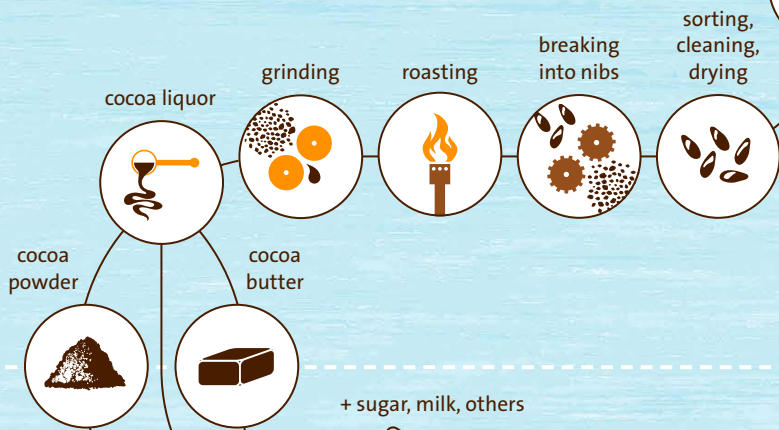
## 3 Collection and shipping

The farmers bring sacks of cocoa beans to collection centers or intermediaries for weighing and quality checks. The beans are then sold and transported to one of our factories for further processing.



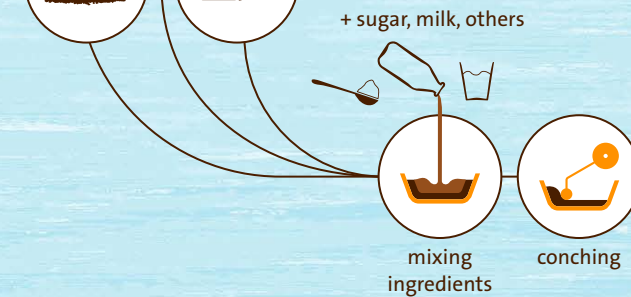
## 4 From bean to cocoa liquor

The beans are cleaned, dried, blended, and broken to remove the shells. The nibs inside are roasted and ground to a fine mass, cocoa liquor, which can be used as an ingredient for chocolate or further processed into cocoa powder and cocoa butter.



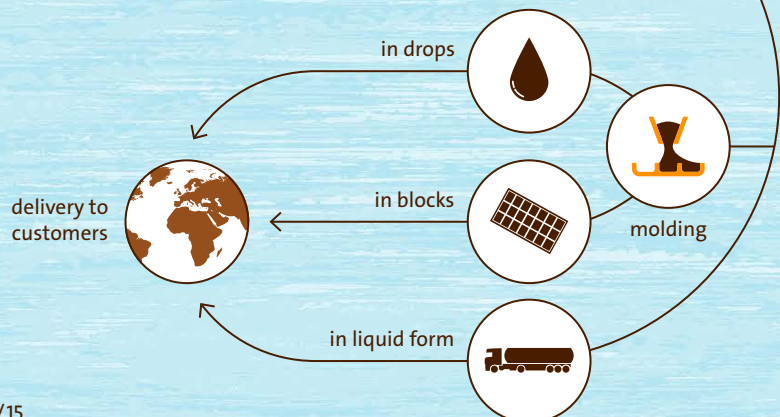
## 5 Making chocolate

Cocoa liquor and other ingredients are mixed and pressed between rollers to form a fine powder. This chocolate powder is kneaded for hours in conches to smoothen its texture and develop aromas. Cocoa butter and lecithin are added to make the chocolate liquid.



## 6 Molding and delivery

The liquid chocolate is stored in large heated tanks so that it can be pumped later on and transported to industrial customers, or it is molded into shape and then packaged for transport and delivery to artisanal customers.





# The Barry Callebaut Group

We are the world's leading manufacturer of high-quality chocolate and cocoa products.

Barry Callebaut is fully integrated along the chocolate value chain, covering every step from sourcing and processing cocoa beans to manufacturing the finest cocoa and chocolate products and applications.

The Group was founded in 1996 with the merger between Belgian chocolate producer Callebaut (founded 1911) and French chocolate and cocoa company Cacao Barry (founded 1842). Since then, our company has grown both organically and through acquisitions, which have included Swiss chocolate maker Carma (founded 1931) in 1999 and the cocoa business from Petra Foods (founded in the 1950s) in 2013. In 2014, we fully acquired the direct farmer sourcing enterprise Biolands.

Headquartered in Zurich, Switzerland, Barry Callebaut has been listed on the SIX Swiss Exchange since 1998. Nearly 60% of the company's shares are held by Jacobs Holding AG and members of the Jacobs family.

## Our products

The Barry Callebaut Group produces a wide range of high-quality products, from cocoa products to chocolate couvertures, specialties, and decorations.

Barry Callebaut is a global business-to-business company. It serves the entire food industry, from global and local food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants, or caterers.

We offer a range of sustainable products, from both our own HORIZONS sustainability range and certification schemes such as UTZ, Rainforest Alliance, Fairtrade, and Organic (see page 20).

## Cocoa products

Cocoa liquor, powder, butter, nibs, etc.



## Chocolate products

Chocolates, couvertures, etc., which contain cocoa liquor, cocoa butter, sugar, milk powder, and vanilla as main ingredients.



## Compound chocolate

Products which consist of a blend of cocoa liquor, vegetable oil, sugar, milk powder, and other products. Vegetable oil is substituted for cocoa butter to develop special melting profiles.



## Specialties

Fillings, inclusions, decorations, nut products, etc.





## Our business across the world

We are present in 34 countries, operate 53 cocoa and chocolate factories and specialty plants, and sell our products to customers in 131 countries.

Barry Callebaut sources cocoa from most origin countries around the world, including Côte d'Ivoire, Ghana, and Indonesia, the three largest producers. Approximately 17% of cocoa beans are sourced through sustainability programs.

We process part of the cocoa beans directly in origin countries. This generates local employment and income; it also makes our supply chain more efficient by reducing the transport of waste bean shells. The rest of the cocoa is processed in our factories in Europe, North America, and Asia. Our chocolate factories are located close to our customers in chocolate-consuming countries. We also operate nine factories that produce specialties and decorations.

In fiscal year 2014/15 we employed 9,430 people, of whom around half were in origin or emerging countries and one-third were in an origin country.

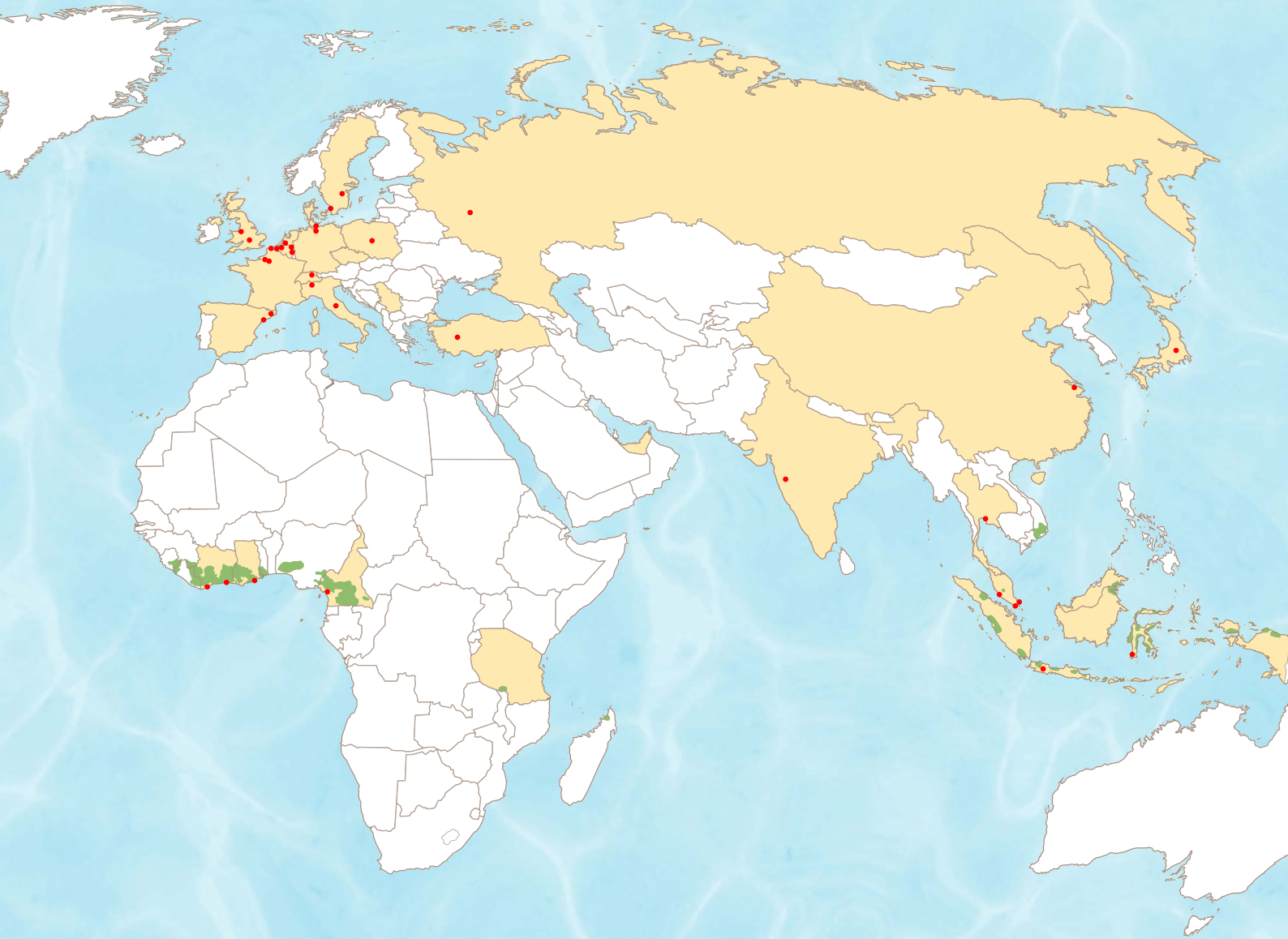


### Americas

# 2,521

employees

- 15 Factories
- 2 Specialty plants
- 4 CHOCOLATE ACADEMY™ centers
- 8 Innovation centers



**Africa**

**941**

employees

- 4 Cocoa factories
- 1 Innovation center
- 1 Cocoa Center of Excellence

**Europe**

**3,893**

employees

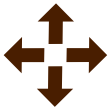
- 16 Factories
- 7 Specialty plants
- 10 CHOCOLATE ACADEMY™ centers
- 12 Innovation centers

**Asia Pacific**

**2,075**

employees

- 9 Factories
- 5 CHOCOLATE ACADEMY™ centers
- 4 Innovation centers
- 1 Agriculture R&D center
- 1 Cocoa Learning Center



## Our sustainability strategy

Sustainability is at the heart of Barry Callebaut's strategy. We focus on activities relevant to cocoa and chocolate, where we believe that we can – and must – take a leadership position.

We engage constantly with many players along the cocoa and chocolate value chain to identify the key sustainability issues facing our business. Through this dialogue with customers, suppliers, investors, governments, NGOs, and academics, we have reconfirmed the three key areas where we can make the most relevant positive difference to all stakeholders:

- **Sustainable cocoa**  
We work with our peers, customers, farmers, and implementing partners to promote sustainable farming practices. We believe that improving the livelihoods of farmers and their communities, helping them to increase productivity while safeguarding the environment, and promoting community development, such as child protection, women's empowerment, education, and basic health care, are key to ensuring the future of cocoa (see page 8).
- **Environmental protection**  
We work to minimize the environmental impact of our activities, from farming to production: sustainable farming, reduction of greenhouse gas emissions, water conservation, and waste reduction (see page 28).

- **Employee development**

We believe in a working environment where all employees can discover and grow to their full potential, and can express their passion and entrepreneurship. We value diversity and foster talent development and community involvement (see page 36).

### Governance

While sustainability is one of the four pillars of our corporate strategy, a long-standing commitment and one that we are embedding in the way we work around the world, we know that we still have a long way to go to make our business and value chain fully sustainable. Doing so requires robust governance and a clear framework of codes and policies.

The foundation for our corporate responsibility is Barry Callebaut's Code of Conduct. This Code documents the values and mission of the company and outlines the behavior required of all employees

#### Sustainability policies

- Code of Conduct
- Conflict of Interest Policy
- Fraud Response and Whistleblower Policy
- Environment Policy
- Health and Safety Policy
- Supplier Code
- Sustainable Sourcing Policy Ingredients
- Sustainable Sourcing Policy Palm Oil
- Sustainable Sourcing Policy Sugarcane
- Sustainable Sourcing Policy Vanilla
- Workplace Policy



## Highlights 2014/15



Sourced  
**159,000**  
tonnes of sustainable  
cocoa, up **21%** vs PY



Established **Cocoa  
Horizons  
Foundation**



Conducted **21** leadership  
and development trainings  
for **385** Barry Callebaut  
managers



Trained  
**70,500**  
farmers in good  
agricultural practices



Developed sustainable  
**HORIZONS**  
cocoa and chocolate  
products



Filled **55%** of  
managerial positions  
with internal  
candidates



**CHF 20  
million** paid  
in premiums to farmers  
and farmer groups



Switched Swiss  
Gourmet brand  
**Carma**  
to UTZ-certified cocoa



Supported **4,000**  
employees  
to volunteer in  
Water for Life  
community events



Opened new  
**Cocoa  
Learning  
Center** in Indonesia



Developed  
sustainable sourcing  
**policies**  
for non-cocoa  
ingredients



Provided **1,350**  
water filters for  
**12,000**  
people as part of  
Water for Life



Reached  
**56,300**  
people with our  
community activities



Joined supply chain  
sustainability initiatives  
**AIM PROGRESS**  
and **SAI Platform**



Received patent for  
**reduced-  
fat**  
chocolate

and directors. Available in 17 languages, it is an integral part of employment contracts. In addition, we aim to engage employees and stimulate dialogue around our Code through a fictional “Dilemma of the Month” that is posted on our intranet, asking employees how they would and should behave in particular situations.

In fiscal year 2014/15, we complemented our Supplier Code with a set of Sustainable Sourcing Policies for Ingredients (see page 26) and updated our Environment and Workplace policies.

Policies are overseen at corporate level by the cross-functional CSR Steering Committee, which is chaired by our CEO and meets quarterly to review sustainability strategy and progress.

To evaluate compliance, we regularly conduct comprehensive audits of our facilities based on risk evaluation. Our independent online whistle-blowing platform ([www.bcintegrity.com](http://www.bcintegrity.com)) allows employees to report concerns anonymously and without fear of retaliation.

# Supporting cocoa farmers and their communities



## Our approach to cocoa sustainability

Barry Callebaut's cocoa sustainability strategy is supported by six key elements. These are: customer engagement, the Cocoa Horizons Foundation, direct farmer sourcing, R&D, a farm management database, and farmer training accreditation (see page 10).

Most of the world's cocoa is produced by smallholder farmers in West Africa, an area that faces the cocoa sector's most vital sustainability challenges.

To address these challenges and achieve real progress, we focus on two key pillars: farmer productivity and community development. This approach is aligned with the industry's CocoaAction strategy.

Our vision is to be the leader in innovation, implementation, and impact in cocoa sustainability globally.

To implement this vision, we have strong teams present on the ground, and we partner with actors across the sustainability landscape.

To further grow the impact of our activities and drive change, we have recently launched the Cocoa Horizons Foundation (see page 22).





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## Improving productivity

Cocoa farmers worldwide face challenges such as pests and diseases, aging trees, and depleted soils. To help farmers improve productivity, we provide them with training, services, and financial solutions (see page 12).



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## Community development

In Africa, we work with rural communities to improve education opportunities, support child protection, and empower women. We also provide safe water and basic health services (see page 16).





## Our approach to cocoa sustainability

Barry Callebaut believes that cocoa production is sustainable when farmers:

- earn an equitable income;
- engage in responsible labor practices;
- safeguard the environment; and
- can provide for the basic health and education needs and well-being of their families.

Our cocoa sustainability activities comprise three parallel workstreams: the program to provide HORIZONS cocoa in collaboration with the Cocoa Horizons Foundation, the certification program to provide certified cocoa, and bespoke programs to support specific customer needs.

**70,500**  
farmers  
trained

in good agricultural practices

### Sourcing models

To source beans that are compliant with the specifications of these sustainability programs, we need to work with farmers and provide them with training and support. We use two different models to do so: direct sourcing and cooperative sourcing.

Our direct sourcing and farm services organization, Biolands, engages with 23,300 farmers in Côte d’Ivoire and 10,500 in Tanzania. We work with village coordinators to provide training, fertilizers, services, and assistance in the production of certified cocoa.

In many areas, farmers are organized in cooperatives to help them commercialize their cocoa beans. Across West Africa, Barry Callebaut works with 92 cooperatives – 89 in Côte d’Ivoire and three in Cameroon – to implement cocoa sustainability programs.



An estimated 77,700 farmers are members of these cooperatives, of whom 61,500 have been trained and 52,300 certified.

## Cocoa Horizons

In 2012, Barry Callebaut launched a 10-year, CHF 40 million initiative to improve farm productivity and farmer livelihoods. The initiative quickly grew into a significant operation, implementing cocoa sustainability initiatives across Côte d'Ivoire and beyond.

In order to further grow its impact and drive change, Barry Callebaut launched the Cocoa Horizons Foundation (see page 22) in February 2015. This independent nonprofit organization will allow customers and donors to join our efforts.

The premiums from the sale of our HORIZONS products flow to the Foundation to fund cocoa sustainability activities. Combined with donations and Barry Callebaut's contributions, the Foundation will target funds toward those activities that are most impactful, pool its resources, and help to drive consumer demand for sustainable cocoa.

## Research and development

To support improvements in cocoa farming, Barry Callebaut operates a one-of-a-kind R&D center on the Selborne Estate, Malaysia. Research focuses on intercropping, pest and disease management, soil management, and rehabilitation. Results from these field trials were used in the development of our Cocoa Management Manual, and will also be incorporated into the curriculum taught at our learning centers in Pacobo, Côte d'Ivoire, and Tanah Datar, Indonesia.

## Farm data collection and management

In order to target support to farmers and help them to become more professional, we need to understand their needs at farm level. In partnership with a global software firm, we are developing a farm data management system that will be implemented in the next fiscal year.

### CocoaAction

Barry Callebaut has committed to support the industry strategy CocoaAction. This strategic approach brings together the world's leading cocoa and chocolate companies to sustain the cocoa industry and improve the livelihoods of cocoa farmers. CocoaAction will develop meaningful partnerships between governments, cocoa farmers, and the cocoa industry to boost productivity and strengthen community development in Côte d'Ivoire and Ghana, the largest cocoa-producing countries in the world. By 2020, CocoaAction intends to train 300,000 cocoa farmers and provide them with improved planting material and fertilizer. The initiative also works to empower communities through education, child labor monitoring, and women's empowerment. CocoaAction's progress will be measured through adherence to key performance indicators, and will be publicly reported on a regular basis.



## Improving productivity

For cocoa farming to become a more attractive and sustainable business, the productivity of cocoa farms needs to be improved. Our programs focus on farmer training, farmer support, and farmer finance.

### Improving productivity in Africa

Most of the world's cocoa is grown in West Africa. Our cocoa sustainability activities focus on Côte d'Ivoire, the largest producer with about 40% of the world market. We engage directly with farmers or with cooperatives to implement farmer training, support and finance.

### Farmer training

To disseminate good agricultural practices to the farmers spread across the cocoa-growing areas of Côte d'Ivoire, we have put in place a robust training infrastructure. This includes the Cocoa Center of Excellence, dozens of model farms, and hundreds of farmer field schools attended by tens of thousands of farmers.

At the center of our efforts is the **Cocoa Center of Excellence**, established in 2013 in Pacobo. Its cocoa training curriculum includes modules on good agricultural practices, post-harvest management techniques, optimal use of inputs, crop diversification, farm rehabilitation, as well as basic business skills. In addition to the training facility, the center has a tree nursery, a composting facility, and 10 demonstration plots to show optimal farm management practices.

Last year, 213 farmer trainers were trained, bringing the total to 867 to date. Furthermore, we have developed an accreditation program for farmer trainers

to increase the quality and uniformity of training delivered to farmers.

**Demonstration plots** are farms that are owned by trained farmers and supported by Barry Callebaut. To date, 55 demonstration plots have been set up to demonstrate to nearby cocoa farmers how to rehabilitate degraded farmland and develop profitable, high-yielding farms.

**Farmer field schools** are training courses about good agricultural practices and other skills that can help cocoa farmers increase their harvest, income, and livelihoods. During fiscal year 2014/15, the 989 farmer field schools were attended by 61,500 farmers.

**Good Agricultural Practices** include tree pruning, making compost, preventing soil erosion, intercropping, rejuvenating farms, and integrated pest and disease management. These topics are supplemented with post-harvest management techniques, optimal use of inputs, crop diversification, farm rehabilitation, and basic business skills.





## Farmer support

Once farmers start applying what they learn at field schools and demonstration plots, they are eligible to receive farm support services. These cover a broad spectrum of topics including pruning services, use of fertilizers, provision of plant material, effective pest and disease management, and the importance of biodiversity. For example, one area of focus is the responsible application of crop protection products based upon integrated pest and disease management strategies.

Some cocoa farmers are trained to become professional tree pruners or sprayers, who then provide this service to their peers in a safer, more efficient manner. In fiscal year 2014/15, more than 2,600 farms benefited from tree pruning, over 2,200 had crop protection services, and 800 received fertilizer application.

The availability of good planting material is vital to rejuvenate farms and improve yields. By the end of fiscal year 2014/15, we had established 29 tree nurseries in Côte d'Ivoire, with a total capacity of over 400,000 seedlings each year.

## Farmer finance

Cocoa farmers often do not have access to finance, preventing them from making necessary investments in the productivity of their farms. Savings are not secure from theft, and loans for farm inputs such as fertilizers or pest control are not available within the formal financial system.

In pilot projects which are now under expansion, Barry Callebaut worked with farmers, farmer organizations and microfinance institutions to enable saving opportunities for farmers and to facilitate access to credit for farm inputs such as fertilizer.

Mobile banking technology has been introduced through Barry Callebaut's direct farmer sourcing model. This allows farmers to be paid remotely, securing their transactions and encouraging them to save. To date, over 9,100 farmers have joined the scheme.

## Improving productivity in Asia

Most of Asia's cocoa is grown in Indonesia, the world's third largest producer. As a result, Barry Callebaut's farmer training and support activities in the region focus on Indonesia.

Our unique R&D center in Selborne, Malaysia, provides cutting-edge insights into sustainable cocoa farming practices, which are then integrated into our cocoa curriculum to continuously improve farm performance.

In West Sumatra, we recently opened our new Cocoa Learning Center. We teach farmer trainers for the entire region here, disseminating knowledge to remote areas and building the skills needed to produce sustainable cocoa. The Center also includes a tree nursery that produces about 30,000 grafted seedlings per year. The adjacent clone garden, with 500 high-performance and high-resistance trees, provides grafting material for the nursery.

We work in close cooperation with Swisscontact, the business-oriented independent foundation for international development cooperation, with funding from the Sustainable Trade Initiative (IDH) and the Swiss State Secretariat for Economic Affairs (SECO). Under this partnership, approximately 2,000 farmers in West Sumatra were trained in agronomy, nutrition, and good business practices during fiscal year 2014/15. We work with 150 *kelompoks*, local organizations each comprising about 30 farmers, to help coordinate farmer training and set up demonstration plots.

In Sulawesi, we supported 7,000 UTZ-certified farmers in 2014/15, and sourced approximately 9,000 tonnes of certified cocoa.



**Swisscontact** is the business-oriented independent foundation for international development cooperation. Represented in 29 countries and with over 900 employees, it promotes economic, social and environmental development. Swisscontact runs the Sustainable Cocoa Production Program (SCPP), a public-private partnership that works directly with 60,000 cocoa farming households in six Indonesian provinces to improve farm productivity and living conditions. Other SCPP participants include the Swiss State Secretariat for Economic Affairs (SECO), the Sustainable Trade Initiative (IDH), the Dutch Embassy, the International Fund for Agricultural Development (IFAD), and private cocoa-sector companies, including Barry Callebaut.



## Cocoa Learning Center

The new Cocoa Learning Center in the Indonesian province of West Sumatra comprises a teaching facility, tree nursery, and clone garden. Built during fiscal year 2014/15 in Tanah Datar, the Center's purpose is to provide training and support to cocoa farmers across Indonesia.

The Center was inaugurated in May 2015 in the presence of 700 local and regional dignitaries, farmers, partners, and financial institutions.

The modern **teaching facility** offers space for 30 participants. Since opening, 60 farmer trainers have completed the program.



The **tree nursery** has a capacity of 30,000 grafted seedlings per year. The seedlings are grafted with material provided by the clone garden.



The **clone garden** is home to 500 trees on a plot of one hectare. These trees were selected for their high yield and disease resistance.



## Community development

Rural communities often lack basic infrastructure and services, including access to water, basic healthcare, and schools. Alongside our work to improve cocoa farming, we work with communities and farmer groups to ascertain needs and contribute solutions in four key areas: education, child protection, women's empowerment, and health.

Our approach to community development is aligned with the industry's CocoaAction strategy. In 2014/15 we conducted a community needs inventory with 60 cooperatives in Côte d'Ivoire to gain a better understanding of education and health infrastructure and service requirements.

### Education

Education is the cornerstone of development. We promote school enrollment and attendance, helping families to secure birth certificates for their school-age children and providing school kits at the start of the academic year to children of cocoa farmers. In addition, we contribute to educational infrastructure in communities where facilities are inadequate. This includes building and furnishing classrooms and school canteens, constructing separate latrines for boys and girls, providing solar panels for lighting, and building teacher housing to attract and retain qualified teaching staff. In total, 3,750 children are benefiting from our education initiatives.

Since 2011 we have funded school infrastructure projects in several cocoa-growing regions of Côte d'Ivoire in cooperation with 10 different farmer organizations, benefiting 1,800 children. In fiscal year 2014/15, we built two fully equipped and furnished



**56,300**  
**people reached**  
 by our community activities

primary schools to benefit 600 children annually. Each new primary school has six classrooms, solar-powered lighting, a furnished and equipped canteen, latrines and hand washing stations, and a borehole and pump on the school premises. We also funded the construction of four additional classrooms and additional latrines at Akoupé College, bringing to 16 the number of classrooms we have built at this secondary school in Côte d'Ivoire, which had a 2014/15 enrollment of 1,200 students.

In Ghana, we funded the construction of a primary school library. In a joint project with our customer Chocolate Design of Japan, we built and furnished a kindergarten comprising three classrooms, an office, and a dining room. We also funded the construction of two separate six-unit latrines, with hand washing stations, for boys and girls at a primary school and junior high school.

## Child protection

Our vision for prospering cocoa communities is one in which all children can attend school and are protected from harmful work. We believe this is a shared responsibility. We therefore promote the importance of schooling in our farmer training, and work with communities to raise awareness about child labor, better understand its causes, and set up appropriate responses.

In 2014/15, we provided training to raise awareness about child labor issues to 46 cooperative administrators, as well as farmers and community members. In consultation with national administrative authorities, we initiated a process to provide birth certificates for school-age children, without which they cannot enroll in school. In addition, the Cocoa Horizons Truck has brought child labor sensitization to 37,200 villagers.

In alignment with our CocoaAction commitment, in 2015/16 we will work on the implementation of a child labor monitoring and remediation approach with the

aim to increase awareness, build knowledge and improve capacity for child labor risk management in cocoa farming communities.



### International Cocoa Initiative (ICI)

Barry Callebaut has been an active member of the ICI since its inception in 2002. The ICI is a unique partnership between civil society organizations and companies that aims to improve the lives of children and contribute to the elimination of child labor in cocoa-growing communities and the cocoa supply chain. We work with ICI field experts in Côte d'Ivoire to provide training and raise awareness about child labor issues among Barry Callebaut personnel, as well as management and administrative staff at farmer organizations. ICI has also conducted household surveys in select communities to assess awareness levels and child labor risks.

## Women's empowerment

Women in rural West Africa contribute to farm labor and manage family needs and household responsibilities, yet often have limited opportunities for education, land ownership, and income generation.

We are working to encourage and enable women to actively participate in farmer training activities and in farmer group administration and management. In addition, we support literacy and business-skills training, and work with women and community-based women's groups to create income generation opportunities.

In fiscal year 2014/15, we continued our women's agroforestry training program through our Biopartenaire subsidiary in Côte d'Ivoire in collaboration with IDH. We welcomed another 20 women into the three-year program that comprises a training curriculum; assistance in clearing and planting a plot of land with cocoa, food crops, and other plants; and regular coaching and advice. In addition to what they harvest, the women also have the opportunity to earn additional income as agroforestry trainers in their own communities. A total of 34 women are now participating in the program.

Through a joint program with the World Cocoa Foundation, 54 women from 54 cooperatives from which we source cocoa participated in leadership training in 2014/15. In addition, 200 women from two cooperatives are participating in a three-year agricultural and entrepreneurship training program for female farmers launched in June 2015. The program is being implemented by ANADER, the national rural development agency of Côte d'Ivoire.

### Yvonne Konan, cocoa farmer and trainer

Ivorian farmer Yvonne Amenan Konan is a graduate of our first agroforestry training program for women. Graduates receive coaching and may also earn extra income by training other farmers. "I received technical training in growing cocoa sustainably," said Yvonne. "This knowledge allows me to advise my peers and my husband on managing a cocoa farm. I have formed a group of farmers and we planted several hectares with support from Biopartenaire. In one or two years, I'll start picking cocoa. I feel proud. This knowledge lets me participate equally with men in cocoa production."



## Health

Farmers, families, and communities need easy access to clean, safe water. However, this basic life necessity is often elusive in rural communities. We work with communities to provide boreholes and pumps in schools, and distribute water filters to households, schools, and medical clinics in remote areas. We also build school latrines and promote WASH (Water-Sanitation-Hygiene) training. In addition, we help improve farmer access to basic health care, including health insurance, vaccination campaigns, and free medical checkups.

In fiscal year 2014/15, we distributed 1,276 LifeStraw® Family water filters to cocoa farmer

households and 75 LifeStraw® Community filters to schools, clinics, and cocoa warehouses to benefit more than 12,000 people. We provided WASH training to each recipient of a water filter, including cocoa farmers, family members, teachers, and health workers in Côte d'Ivoire and Cameroon. The Cocoa Horizons truck provided medical attention to 5,554 villagers.

We have implemented a health insurance scheme for farmers with whom we work directly and their families, in cooperation with the aid agency Centre International de Développement et de Recherche (CIDR) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The scheme was launched last year in Côte d'Ivoire and now provides cover for 3,200 people.



# Sustainable chocolate and cocoa products



## HORIZONS products

HORIZONS is Barry Callebaut's in-house range of sustainable cocoa and chocolate products, which supports farm productivity and community development programs (see page 22).

Customer demand for responsibly sourced cocoa continues to grow. Barry Callebaut offers both cocoa products from certified sources and our verified sustainable HORIZONS products, the successor of the Quality Partner Program.

In the past year, Barry Callebaut has expanded and strengthened this program. To meet growing demand for traceability, HORIZONS cocoa can now be traced to the individual farm as a result of the new data management system we have developed.

The volume of sustainable cocoa we sourced in fiscal year 2014/15 amounted to approximately 159,000 tonnes, up 21% compared to the prior year. Almost 67% of this is sourced from our own programs.

We recognize that increasing the share of sustainable cocoa in our total sourcing volume is one of our key challenges.





## Certified products

Barry Callebaut offers cocoa and chocolate products that are certified as being compliant with all the main cocoa sustainability labels (see page 24).



## Non-cocoa ingredients

Besides our main focus on cocoa, we engage suppliers and join multistakeholder platforms to make our other ingredients more sustainable (see page 26).



**159,000**  
**tonnes**

of sustainable cocoa sourced



## HORIZONS products

Barry Callebaut offers a new range of sustainable cocoa and chocolate products which allow customers to support cocoa sustainability activities in Africa. HORIZONS cocoa is produced by the farmers benefiting from and engaging in these activities.

The HORIZONS cocoa and chocolate proposition succeeds the Quality Partner Program and supports seven key activities. To increase farm productivity, farmers are trained in good agricultural practices and supported with materials and innovative financing solutions. Community development focuses on access to education, initiatives to protect children and foster women's empowerment, and basic health services such as providing safe drinking water.

Traceability is an integral characteristic of HORIZONS products. The cocoa beans are traceable from our warehouse all the way back to the individual farmer. Comprehensive data from registered farms are collected into a data management system. Analysis of farm, farmer, and community data will enable us to focus on activities with the most positive impact on productivity, farmer, and community livelihoods. The system will also enable us to measure and verify the impact of activities.

Many industrial customers in Europe use HORIZONS cocoa or chocolate products. Furthermore, all products under the Callebaut® Gourmet brand are made from HORIZONS cocoa, reaching hundreds of thousands of Gourmet customers worldwide.

The premiums from the purchase of HORIZONS products flow to the Cocoa Horizons Foundation, which funds the activities.



### Cocoa Horizons Foundation

In order to grow the reach and impact of its CHF 40 million Cocoa Horizons initiative launched in 2012, Barry Callebaut established the Cocoa Horizons Foundation, an independent nonprofit organization, in 2015. The mission of the Foundation is to improve the livelihoods of cocoa farmers and their communities through the promotion of sustainable, entrepreneurial farming, improved productivity, and community development.

The Cocoa Horizons Foundation serves as a new platform for chocolate companies and other contributors to invest in sustainable cocoa. It is funded by the purchase of HORIZONS products, contributions from donors and customers, and Barry Callebaut's Cocoa Horizons initiative.

By pooling resources and funds and stimulating consumer demand for sustainably sourced cocoa, the Foundation aims to scale impact and drive positive change in cocoa communities.

For project implementation, the Cocoa Horizons Foundation relies on Barry Callebaut's team of experienced field staff working on the ground with cocoa farmers and farming communities, as well as external partners and development experts. Over 25,000 farmers are already enrolled in Foundation activities.

In addition to offering traceability, the Cocoa Horizons Foundation has committed to report transparently to contributors on core activities and their impact. The Foundation will be audited annually by a



global audit firm to demonstrate compliance with Swiss federal regulations, and the use of HORIZONS premiums will be verified independently.

# 25,000 farmers enrolled

in Cocoa Horizons Foundation activities

## The Cocoa Horizons Truck

The Cocoa Horizons Truck visits cocoa farming cooperatives and communities in remote areas, bringing farmer training, educational services, and literacy training. The truck helps to raise awareness of environmental issues and child labor, while also offering light entertainment in the evenings. Since its launch in December 2013, the Cocoa Horizons Truck has travelled 19,000 km through 126 villages, reaching 58,531 people and providing medical attention to 8,198 people.





## Certified products

Customer demand for certified products continues to grow. As an innovative, fully integrated chocolate and cocoa company, Barry Callebaut is well-positioned to meet and even exceed customers' expectations.

We have offered Fairtrade products since 1993 and Organic products since 1995. Today we are able to offer all major certifications.

Across Côte d'Ivoire, we worked with 50 co-operatives in fiscal year 2014/15 to produce certified beans. Over 200 farmer trainers organized 700 field schools. In total, 29,700 farmers were certified and production of certified beans amounted to 57,000 tonnes.

In the same period, our Biolands organization sourced approximately 11,000 tonnes of certified beans directly from farmers.

In August 2015, Swiss Gourmet brand Carma switched its "Swiss Top" and "Swiss Line" chocolate couvertures to UTZ Certified. As the first major Swiss business-to-business brand to source only sustainable UTZ-certified cocoa for its main range of chocolate couvertures, Carma will make a positive impact on thousands of cocoa farmers.

### UTZ Certified

Mission: responsible production and sourcing of certain commodities, ensuring traceability.

### Rainforest Alliance

Mission: conserve biodiversity and ecosystems and ensure sustainable livelihoods for producers.

### Fairtrade

Mission: fairer international trade for disadvantaged producers and workers to combat poverty.

### Organic

Mission: farming in harmony with nature, protecting the environment, enhancing animal welfare, and creating new opportunities for rural communities.



Country	Export Year	Lot N°	Bag N°
TZ	2015	2059	219

IMO  
**Cocoa beans**  
(cocoa beans)

control  
**IMO**  
INSTITUTE OF MARKET SCIENCE

		 SFC - G- 03205	
--	--	--	--

Operator: **Biolands International Ltd** P.O. Box 602. Kyela.  
Tanzania



## Non-cocoa ingredients

While cocoa is the defining element of chocolate, our products contain other ingredients, such as dairy, sugar, palm oil, vanilla, and more. We need to ensure that these also come from sustainable sources.

We have published new sustainable sourcing guidelines and are developing a set of ingredient-specific guidelines with detailed provisions for palm oil, vanilla, sugarcane, milk powder, and others. These new guidelines supplement our existing Supplier Code.

This year we extended our collaboration with suppliers and customers and joined three global sector frameworks.

We are active members of the SAI Platform and several working groups, and we ask suppliers to implement the SAI Practices and Principles as appropriate.

We participate in the AIM PROGRESS forum to drive sustainability.

Our engagement with SEDEX has considerably increased transparency in our supply chain. Most of our sugar, oil, and fat suppliers in Europe are members of SEDEX.

The **Sustainable Agriculture Initiative (SAI) Platform** is the main food and drink industry initiative supporting the development of sustainable agriculture worldwide. SAI standards include Practices and Principles for Sustainable Dairy Farming and for Sustainable Production of Arable and Vegetable Crops. These standards drive harmonization by providing an industry approach to sustainability and by incorporating other sustainability frameworks.

**AIM PROGRESS** is a global forum of leading fast-moving consumer goods (FMCG) manufacturers, to promote responsible sourcing practices and sustainable supply chains. For Barry Callebaut, this is an important forum to drive sustainability with the ultimate goal of aligning practices, standards, and metrics.

**SEDEX**, the Supplier Ethical Data Exchange, is the largest collaborative platform for sharing ethical supply chain data. Its main product is an online database allowing supply chain companies to share information on labor standards, health and safety, the environment, and business ethics.

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## Palm oil

A versatile vegetable oil, palm oil is used in many food, cosmetic, and household applications. The crop is 6 to 10 times more productive than temperate oilseed crops, such as rapeseed or sunflower, meaning that less land is needed to produce the same amount of oil. Three million farmers depend on palm oil for their livelihoods. Nevertheless, destruction of forest habitats, violation of indigenous people's rights, and global warming are major issues that need to be mitigated.

Barry Callebaut has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011. Our European factories have used only RSPO segregated straight palm oil since 2013 and it now represents more than 80% of our total palm oil use.

Much of our palm kernel oil is also RSPO certified, and we are switching more product lines to RSPO palm oil. In 2014, our European operations switched cocoa butter equivalents to RSPO segregated material. To drive sustainability further, we have developed a new sustainable sourcing policy specifically for palm oil.



# Protecting the environment



## Environmental protection

We work across our operations to reduce our energy use, increase our use of renewable energy, reduce carbon emissions, and optimize the use of water (see page 30).

With suppliers, operations, and customers around the globe, we are conscious of the environmental impacts of both our business and our value chain. As a result, Barry Callebaut is making concerted efforts to reduce these impacts.

The main focus of our efforts to date has been to reduce the environmental impacts from our own manufacturing operations, which we can directly influence. We are therefore working to reduce our energy use and carbon emissions, and to optimize our use of water.

To address the environmental impacts in our supply chain, we collaborate with cocoa farmers and other suppliers. In addition, we need to protect habitats and forests to conserve biodiversity and combat deforestation, a topic of significant concern in the cocoa sector.





## Addressing climate change

Throughout our operations, we reduce carbon emissions. In our supply chain, we work to better understand our carbon footprint, and to prepare for the consequences of global warming (see page 33).



## Conserving biodiversity

We implement schemes to protect biodiversity in our palm oil supply chain. We also develop innovative agroforestry projects to increase biodiversity on cocoa farms (see page 35).





## Environmental protection

In Barry Callebaut's own operations, the greatest environmental impacts result from our use of energy. Consequently, we focus our efforts on energy reduction. Our Code of Conduct and newly updated Environmental Policy spell out our priorities for reducing environmental impacts.

By 2013/14, we had achieved our five-year targets to reduce relative energy use and carbon emissions by 20%. Following the acquisition of the cocoa business of Petra Foods in 2013, the baseline environmental KPIs had to be redefined, in large part because cocoa and chocolate factories differ significantly in their average energy consumption rates. Using these new baselines, Barry Callebaut has now committed to a further set of targets to reduce relative energy use, carbon emissions, and water consumption by 20% by 2020 (see table).

Our continuous improvement program One+ aims for operational excellence, from supply chain and warehouse storage to safety and waste reduction. The program involves employees from blue collar to management, encouraging everyone to suggest and develop solutions.

Relative emissions are expressed in units per tonne of activity. An activity is a distinct process within the production chain such as roasting, pressing, chocolate making, or molding. For each activity, we have identified a standard energy use. This indicator has been developed to allow comparisons, benchmarking, and sharing between factories.

### Reducing energy usage

Our aim is to reduce greenhouse gas emissions by improving the energy efficiency of our operations. We raise employee awareness and seek their commitment to reduce all types of energy losses. We also identify, develop, and implement energy-efficient technologies and processes. For example, the engineering team in our factory in Wieze replaced traditional cooling towers with a free-cooling system, saving both energy and water. In fiscal year 2014/15, our average energy use per tonne of activity (including the new cocoa factories) was 1.05 GJ/t, up from 0.96 GJ/t in the previous year. This short-term increase was driven by the acquisition of the cocoa business from Petra Foods.

### Using renewable energy

About 17% of our global energy use comes from renewable sources.

In West Africa, we use discarded cocoa shells as biomass to generate energy for heat processes. In fiscal year 2014/15, our factories generated 155,000 GJ of energy from biomass.

Some of the renewable energy we use comes from electricity sourcing. About 26% of grid electricity comes from renewable sources. In our Swiss operation, we purchase 100% renewable electricity, which comes entirely from local hydro power.



## Managing carbon emissions

Decreasing energy use and increasing the use of renewable energy are the two factors that reduce greenhouse gas emissions. However, with the acquisition of the cocoa business from Petra Foods, our carbon emissions increased to 367,000 tonnes of CO<sub>2</sub>, while our carbon intensity per tonne of activity rose to 84.2 kg CO<sub>2</sub>/t. We are now allocating more resources to carbon reduction activities.

## Conserving water

Although our operations do not face significant water supply challenges, we nevertheless intend to reduce our water footprint. By 2020, our target is to reduce water used per tonne of activity by 20%. In fiscal year 2014/15 we used 2.32 million m<sup>3</sup> of

water, or 0.53 m<sup>3</sup>/tonne of activity. Water-saving projects include switching from wet-cooling to dry-cooling systems, which use air instead of water.

## Optimizing waste

Although waste is a relatively small part of our environmental footprint, waste reduction is part of our continuous improvement program One+. We focus on our main waste streams, reducing the amount we generate and finding alternative uses for waste.

By burning bean shells in origin countries, for example, we are able to provide the heat requirements of our local operations, replacing fossil fuels and reducing CO<sub>2</sub> emissions. In European and American factories, bean shells are sold to make soil improvement material. This is then used in agriculture as a substitute for peat and other organic materials.

### Environmental performance and targets

	Amount 2014/15	Amount per tonne of activity	Target 2019/20 vs 2014/15
Energy use	4,589 TJ	1.05 GJ/t	-20%
Renewable energy	919 TJ	17%	20%
Carbon emissions (CO <sub>2</sub> )	367,653 t CO <sub>2</sub>	84.2 kg CO <sub>2</sub> /t	-20%
Scope 1	109,588 t	25.1 kg CO <sub>2</sub> /t	
Scope 2	257,555 t	59.0 kg CO <sub>2</sub> /t	
Water use	2,322,346 m <sup>3</sup>	0.532 m <sup>3</sup> /t	-20%



## A project to save both energy and water

Free-cooling uses the ambient air to provide the cooling capacity needed for production processes such as molding. The system shown here has been installed at Barry Callebaut's largest factory in Wieze (Belgium).



Hassan Abid, Utilities and Facilities Manager, Wieze



## Addressing climate change

Climate change will increasingly affect weather patterns around the world, as well as water availability and agricultural productivity. Significant areas of land may no longer be suitable for cocoa growing. As a result, we need to adopt a two-pronged approach. We must reduce our greenhouse gas emissions but must also adapt to the realities of a warmer future.

### Managing greenhouse gas emissions

Our efforts to reduce greenhouse gas emissions currently focus on our production facilities, since this is where we have operational control. In fiscal year 2014/15, these emissions amounted to approximately 367,000 tonnes of CO<sub>2</sub>. Reducing these emissions requires a dual approach. First, we must reduce our energy use. Second, we are switching from fossil fuels to renewable energies, such as biomass.

The indirect emissions produced in the manufacture of our raw materials are estimated to be 1.9 million tonnes CO<sub>2</sub>e, and result mostly from farming. Milk powder in particular has a high carbon footprint. Transport represents an estimated 200,000 tonnes.

### Adapting to a warmer future

Cocoa originated in the rainforests of Mesoamerica. Today, it is mostly grown in the full sunlight of equatorial areas. With global warming, some of these areas are expected to become hotter and drier. This will make it more difficult for cocoa trees to remain healthy and productive. To counter this, we encourage cocoa farmers to plant shade trees, including valuable timber trees. These trees will not only provide shade to protect the cocoa trees, but they will also provide an income when the aging plantation has to be replanted, bridging the income gap until new trees start bearing fruit. We are also working to develop and propagate more heat-resistant varieties of cocoa.

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## Bean biomass burning in origin countries

Barry Callebaut's cocoa processing factories in West Africa use discarded cocoa bean shells as a source of heat. This generates part of the steam needed by the factories. This has the dual benefit of reducing fossil fuels and waste, thereby reducing our carbon footprint.



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## Clean power for our Swiss factory

Our Swiss manufacturing operation in Dübendorf has entered a contract with its electricity supplier to buy 100% local and renewable electricity. This electricity is generated in Swiss hydropower plants with a very low CO<sub>2</sub> factor.



## Conserving biodiversity

Worldwide biodiversity is declining at an alarming rate. While our own operations do not impact natural habitats directly, we want to help conserving biodiversity wherever we can make a difference.

Although cocoa is typically farmed as a monocrop nowadays, it originated in the rainforest undergrowth. Cocoa grows better in the presence of other plants and the shade of taller trees. One of the good agricultural practices we teach is therefore intercropping, the planting of various plants between rows of cocoa trees. At our research facility in Selborne, Malaysia, we test

intercropping solutions with different levels of biodiversity in order to identify optimal planting regimes. In Côte d'Ivoire, we have started to promote agroforestry, which offers dual benefits; it diversifies farmer incomes and has a positive effect on biodiversity. In light of the deforestation linked to palm oil, we have joined the Roundtable on Sustainable Palm Oil and committed to use only RSPO palm oil in our European operations (see page 27). We are now developing a strategy to combat deforestation, which will apply to our entire value chain, including cocoa.

As an industry, we need to develop a better understanding of this issue and promote better practices. We therefore participate in sector initiatives to address deforestation.

Agroforestry projects in Côte d'Ivoire. Cocoa grows better in the company of other plants and trees. We are evaluating the effectiveness of various combinations of trees.



# Caring for people



## Developing employees

We provide employees with development opportunities while supporting them with training and benefits. We foster a safe and fair workplace (see page 38).

Barry Callebaut has experienced strong growth in recent years. We now employ 9,430 employees from 70 nationalities. One in three employees works in an origin country, while half work in an origin or emerging country.

We aim to offer a safe, engaging, and collaborative workplace for our people, as well as personal development and career growth opportunities. Only by doing so, can we attract and retain the talent we need to achieve our business goals.

We encourage employees to engage in their local communities through global programs such as Winning Together. We recognize outstanding community service achievements through the Chairman's Award.

In the marketplace, we increasingly offer products with health-related benefits to our customers and end-consumers.





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## Community engagement

We foster community engagement among our workforce through employee volunteering programs, and we reward employees who demonstrate outstanding community involvement (see page 41).



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## Innovating for health

We develop innovative solutions to provide products with balanced dietary characteristics or health benefits, which enable our customers to provide healthy options to end-consumers (see page 44).





## Developing employees

We are committed to providing employees with attractive development opportunities so they can achieve their full potential. We support them throughout their career with training, development programs, and benefits.

In 2015, Barry Callebaut updated its workplace policy. This details the principles that apply to employees worldwide in the areas of talent management, fair labor, health and safety, and employee services. We also implemented Success Factors, a new company-wide software tool to collect employee data and manage employee development.

### Talent management

Our talent management process helps employees to focus on – and prepare for – the next step in their career. In fiscal year 2014/15, we implemented a global HR information solution (SuccessFactors) which provides visibility of our organization and people. The tool supports talent acquisition, remuneration and rewards, and development and succession planning processes.

We aim to increase the proportion of positions filled with internal talent. In 2014/15 we filled 55% of managerial positions with internal candidates, and we are on track to meet our target of 60% by 2020.

Across the organization, we offer a wealth of training programs. These include technical and on-the-job skills development, as well as quality and health and safety courses. In fiscal year 2014/15, 385 manag-

**385**  
managers and other  
professionals

took part in one of the 21 Global Leadership  
and Skills Development trainings



ers and other professional associates took part in one of the 21 Global Leadership and Skills Development trainings from our Marbach Development Programs in Germany, Singapore, and the United States.

## Attracting new talent

As a springboard for international and functionally focused careers, the two-year Graduate Trainee Program Yourfuture@BC recruits and develops top graduates from around the world, especially from emerging countries. In 2014/15, 14 graduate trainees joined Barry Callebaut, bringing the total to 95 graduates from 31 nationalities since the program began in 2004. Among the previous group of trainees, 89% were offered a permanent contract, of whom 100% accepted positions.

## Promoting fair labor

Barry Callebaut is committed to providing equal employment and promotion opportunities to all employees. Throughout our organization, we support freedom of association in line with local laws and regulations. More than half (51%) of the company's

In 2014/15, an alumni of our graduate trainee program hired a new graduate trainee, marking a first in the program's history.

Former graduate trainee Pieter Cool has become the mentor for new graduate trainee Maggie Simizon. Pieter joined us for the first generation graduate trainee program in 2004 and has since risen to become Director Supply Chain, Region Americas.



workforce is covered by a union or collective bargaining agreement. All Barry Callebaut employees are 15 years of age or older.

## Employee diversity

		Blue collar	Administrative	Professional	Management	Senior management	Executives and Board	Total
Gender in %	Female	14	57	38	30	16	19	27
	Male	86	43	62	70	84	81	73
Age in %	Below 30	24	25	18	3	0	0	21
	30–50	56	60	67	74	65	33	60
	Above 50	20	15	15	23	35	67	19
No. of employees		5,366	1,745	1,334	878	86	21	9,430

## Health and safety

To promote a culture of safety, each Barry Callebaut plant has appointed a health and safety responsible to coordinate safety activities. Half of our workforce is covered by health and safety committees.

We encourage our employees to adopt healthy, active lifestyles, for example through our Winning Together program (see page 42). In origin countries, we provide HIV/AIDS education to both employees and their families.

In fiscal year 2014/15, our rates of injury, occupational disability, lost days, and absenteeism were lower than in the previous fiscal year. The injury frequency rate was 10.2 accidents per million hours worked and the severity rate was 0.20 lost days per thousand hours worked. Every plant across our business is implementing safety plans to continue reducing accidents and injuries.



## Employee benefits in origin countries

Barry Callebaut supports employees with services, support programs, and benefits.

In cocoa-growing countries, where medical care and education are not universally available, our programs cover a broad range of services, including medical care, housing, and education (see table below).

### Employee support services in cocoa origin countries

	Brazil Ilhéus	Brazil Itabuna	Brazil Extrema	Brazil São Paulo	Côte d'Ivoire Abidjan	Côte d'Ivoire San-Pédro	Côte d'Ivoire Sinfra	Cameroon Douala	Ghana Tema	Malaysia Port Klang	Malaysia Pasir Gudang	Indonesia Bandung	Indonesia Makassar	Mexico Monterrey	Mexico Toluca	Mexico Mexico City
Start year of operations	1993	1979	2010	2008	1964	1995	2000	1952	2001	2008	2013	2013	2013	2008	2011	1941
Facilities	Cocoa factory	Cocoa factory	Chocolate factory	Country office	Cocoa factory	Cocoa factory	Bean cleaning facility	Cocoa factory	Cocoa factory	Combined factory	Cocoa factory	Cocoa factory	Cocoa factory	Chocolate factory	Chocolate factory	Cocoa factory
No. of employees	309	277	105	87	302	233	12	119	100	360	412	544	84	180	142	36
Doctor/nurse on site	✓	✓	✓		✓	✓		✓	✓					✓	✓	
Medical exams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vaccinations					✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
HIV/AIDS education and support	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓			
Health insurance or other medical care	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Warm meals on factory premises	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			
Housing/home ownership opportunity					✓	✓	✓			✓	✓			✓	✓	✓
Transportation to/from work site	✓	✓	✓	✓	✓	✓	✓		✓						✓	
Education support/school fees	✓	✓	✓	✓	✓	✓	✓	✓	✓							
Sports activities	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			



## Community engagement

Barry Callebaut aims to be a good corporate citizen in the communities in which it operates across the world. We run global programs that enable employees to engage actively in their local communities.

### Chairman's Award

The annual Chairman's Award is granted to employees who have demonstrated both outstanding performance at work and strong commitment to their local commu-

nities. These individuals embody the Barry Callebaut values of customer focus, passion, entrepreneurship, team spirit, and integrity.

The 2015 award winners met with Chairman Andreas Jacobs and former CEO Juergen Steinemann in Zurich to receive their award.

From left to right:

Jorge Uriel Tobias Mascorro, Hendrik Van der Linden, George Zhang, Katrien Geys, Wisdom Nuworti, Chairman Andreas Jacobs, Api Yolande Koua, Douglas Torp, Jurinah Othman, Stefano Ventura, Pramin Tansiri, Elis Pereira Silvério, Derry Muhari Wachyudi, former CEO Juergen Steinemann, and Jesus Caetano



## Winning Together

Barry Callebaut fosters team spirit and community engagement among our global workforce. We do so through local and global programs that promote community development, environmental awareness, and active lifestyles.

Our Winning Together initiative encourages employees around the world to support our community development activities in origin countries. The program was set up in 2005 and this year's initiative, "Water for Life... for All", aims to raise awareness of the need for safe, clean water in cocoa farming communities, as well as the water challenges in the communities where we live and work.

Ninety-nine employee volunteer champions representing 52 sites across 23 countries organized approximately 100 activities. More than 4,000 employees participated in local educational and volunteering events, including river cleanups, tree planting, and improving village access to safe water. Half of all employees at our corporate headquarters, including the CEO, ran six kilometers in the Zurich B2RUN.

As a result of these efforts, the "Water for Life... for All" initiative will culminate in the distribution of additional water filters to benefit more than 12,000 people in cocoa-growing regions in Africa.



### Mangrove planting

Port Klang, Malaysia

In Port Klang, 60 Barry Callebaut employees volunteered to plant mangrove trees. These forests play a vital role in stabilizing the coastline in heavily populated coastal areas, performing better than any engineering or technological solution.





## Cooper River cleanup

Pennsauken, NJ, USA

Fifteen Barry Callebaut volunteers in Pennsauken, New Jersey, collected litter from the Cooper River park, recreation area, and riverbed. In one afternoon, they filled 20 garbage bags.



## Cleaning Litorânea Beach

Ilhéus, Brazil

Twenty-five Barry Callebaut employees in Ilhéus, Brazil, held a community beach cleanup event. They also used the opportunity to raise awareness of the importance of keeping local beaches clean.



## Innovating for health

Barry Callebaut has become the reference point for innovation in chocolate and cocoa. Combining trend insights with science, we are developing a pipeline of novel chocolate and cocoa products.

Our goal is to help customers grow their business through differentiation and respond to burgeoning consumer demand for healthy products that taste good. In 2015, Barry Callebaut launched new “I feel good” and “better for you” categories. These new initiatives were introduced in response to rising obesity levels and health care costs around the world, as well as the WHO recommendation for people to halve their sugar intake.

By 2020 we want to be able to reduce the calorie content of chocolate by 50%. To do so, we focus on chocolate reformulation, developing new technologies and recipes while improving existing products and processes. In addition to leveraging the health constituents of cocoa, we look for ways to reduce the sugar and fat of chocolate while compensating for their loss.

### Rebalancing products for health

Enjoyed in moderation, chocolate can be part of a healthy and balanced diet. Nevertheless, the industry is working to develop products with fewer calories, reduced sugar content, and lower saturated fats. We are reducing calorie content through the use of sugar alternatives, such as stevia, and are developing recipes with lower saturated fats.



### Enhancing natural benefits

Chocolate products can provide health benefits. After years of research and development, we found a way to retain the naturally occurring flavanols in cocoa beans. Flavanols have significant health benefits, and the EU has approved Barry Callebaut’s health claim that “cocoa flavanols help maintain the elasticity of blood vessels, which contributes to normal blood flow.” Our Acticoa™ cocoa and chocolate products are guaranteed to contain minimum flavanol requirements to meet the health claim.

### Fat reduction in milk chocolate

In February 2015, Barry Callebaut was granted a patent for reduced-fat chocolate. The process makes it possible to manufacture milk chocolate with only 25% fat content, almost one-third less than the typical 36%. This innovation will help consumers to reduce their calorie intake.

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