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New Cocoa Horizons initiative underscores sustainability commitment

Barry Callebaut accelerates drive towards sustainable cocoa with launch of CHF 40 million global initiative to further improve yields, quality and livelihoods in key cocoa-producing countries

- **New multifaceted “Cocoa Horizons” initiative builds on Barry Callebaut’s landmark cocoa sustainability program Quality Partner Program (QPP)**
- **Farmer Practices – Barry Callebaut to open Cocoa Center of Excellence and 5 Farmer Academies in Côte d’Ivoire; agricultural training will enable farmers to further boost production and to be eligible for independent certification**
- **Farmer Education – Community-centered actions to advance cocoa farming education and business skills training will aim to develop the next generation of farmers**
- **Farmer Health – Integrated health actions will enhance rural community welfare and support local institutions and services**

Zurich/Switzerland, March 15, 2012 – Barry Callebaut, the world’s leading manufacturer of high-quality cocoa and chocolate, has launched a CHF 40 million cocoa sustainability initiative to boost farm productivity, increase quality and improve family livelihoods in key cocoa producing countries in West and Central Africa and Indonesia over 10 years. In fiscal year 2011/2012 the company will invest CHF 5 million in farmer training, infrastructure and community education and health programs. The activities will be undertaken in cooperation with agricultural and development experts and government institutions. Barry Callebaut will focus first on large producer countries including Côte d’Ivoire, Ghana, Indonesia, Cameroon and Brazil, and aims to expand the initiative, called Cocoa Horizons, to other cocoa producing countries with high development potential over the coming years.

“The scarcity of quality cocoa is a serious concern that touches the heart of our business – because without more cocoa, we can’t produce more chocolate. Innovative and comprehensive solutions are urgently needed to reverse the overall decline in global cocoa production. We’ve therefore made sustainable cocoa a pillar of our company’s ambitious growth strategy, and accelerated our longtime efforts to ensure sustainable cocoa production. Our newest initiative, “Cocoa Horizons”, is the most ambitious and far reaching sustainability program in Barry Callebaut’s history,” said CEO Juergen B. Steinemann.

The initiative builds on Barry Callebaut’s proven Quality Partner Program (QPP) for cocoa farmer cooperatives. Launched in 2005, and currently engaging more than 40,000 farmers in Côte d’Ivoire and Cameroon, QPP was the first program of its kind to emphasize quality improvement goals for cocoa as well as farming practices. Barry Callebaut’s Cocoa Horizons initiative comprises 3 pillars:

Farmer Practices – Enabling farmers to boost farm productivity and cocoa quality through Barry Callebaut’s training programs in yield enhancement techniques and sustainable cocoa production, and to be eligible for independent certification according to multiple cocoa



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sustainability standards.

Farmer Education – Improving access to education in cocoa farming communities and promoting a cocoa curriculum and other actions to develop the next generation of young cocoa farmers.

Farmer Health – Improving access to basic health care and clean water in cocoa farming communities to contribute to the wellbeing of farming families.

While 2010/11 delivered a bumper cocoa crop due to favorable weather conditions, during the last 6 years the annual cocoa supply has frequently fallen short of demand. Barry Callebaut estimates that by 2020 the global cocoa and chocolate industry will need an additional 1 million metric tons of cocoa to meet the rising demand for chocolate, driven by markets in Asia, Eastern Europe and the Americas.

“Cocoa Horizons is our long-term initiative to improve farmer productivity and livelihoods in a sustainable way,” said Steven Retzlaff, President Global Sourcing & Cocoa. “We define cocoa production as ‘sustainable’ when farmers earn equitable income, engage in responsible labor practices, safeguard the environment through sound agricultural practices and can provide for the basic health and education needs and general well-being of their families.”

Farmer Practices

Barry Callebaut will open a Center of Cocoa Excellence and 5 Farmer Academies in important cocoa growing regions in Cote d’Ivoire. The new Cocoa Horizons initiative defines a portfolio of yield enhancement techniques aimed at increasing the yields per hectare and quality of cocoa grown by smallholder farmers. Various training approaches and methodologies, such as Farmer Field Schools, are used to promote sound agricultural and labor practices, proper fermentation and drying, and disease and pest management. Model farms will be established in cooperation with local communities. These will be used for research and a range of training activities including specialized advanced training in grafting and farm regeneration. Barry Callebaut expects to reach an additional 50,000 smallholder farmers through its various training activities over the next 10 years.

Agricultural training offers a pathway for interested farmers and farmer organizations to work towards compliance with certification standards including UTZ Certified, Rainforest Alliance, Fairtrade, organic and others. Barry Callebaut began offering certification training to farmers in 2001. Currently, Barry Callebaut is conducting more than 400 Farmer Field Schools and working with more than 50 cooperatives in Côte d’Ivoire alone to help enable farmers to meet their goals for independent certification.

The company will continue to expand its controlled fermentation programs in Côte d’Ivoire, Cameroon and Indonesia to create additional opportunities for farmers to increase their incomes. Using Barry Callebaut’s patented advanced fermentation technique farmers can produce high quality cocoa beans with no defects or off-flavors in significantly less time than by conventional fermentation methods.

In 2011, Barry Callebaut began marketing “Terra Cacao,” a chocolate made from “zero-defect beans” from Côte d’Ivoire, and won several coveted innovation awards with the groundbreaking product. Based on the exceptional success of the program in Côte d’Ivoire,



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Barry Callebaut launched a parallel program in Cameroon where participating farmers are earning more for their cocoa, compared to the average prices for conventionally fermented and dried Cameroon cocoa.

Farmer Education

Community-centered education activities will aim to develop the next generation of young cocoa farmers, including tailored activities for women and youth. A curriculum to promote cocoa farming education and business skills training will be promoted. Focus areas for training activities will also include functional literacy, health and safety practices, and child labor sensitization.

Farmer Health

In partnership with local community leaders, farmer organizations and development experts, Barry Callebaut will execute integrated actions to improve access to basic health care and potable water for cocoa farmers and their families. The aim of these actions will be to enhance rural community welfare and support local institutions and services.

Barry Callebaut (www.barry-callebaut.com):

With annual sales of about CHF 4.6 billion (EUR 3.6 billion/USD 5.0 billion) for fiscal year 2010/11, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate – from the cocoa bean to the finished chocolate product. Barry Callebaut is present in 27 countries, operates around 40 production facilities and employs a diverse and dedicated workforce of about 6,000 people. Barry Callebaut serves the entire food industry focusing on industrial food manufacturers, artisans and professional users of chocolate (such as chocolatiers, pastry chefs or bakers), the latter with its two global brands Callebaut® and Cacao Barry®. Barry Callebaut is the global leader in cocoa and chocolate innovations and provides a comprehensive range of services in the fields of product development, processing, training and marketing. Cost leadership is another important reason why global as well as local food manufacturers work together with Barry Callebaut. Through its broad range of sustainability initiatives and research activities, the company works with farmers, farmer organizations and other partners to help ensure future supplies of cocoa and improve farmer livelihoods.

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