



# Forever Chocolate Sustainability Roadshow

February, 2022

## Cautionary note

Certain statements in this presentation regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as 'believe,' 'estimate,' 'intend,' 'may,' 'will,' 'expect,' and 'project' and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events.

Actual results may vary materially from those targeted, expected or projected due to several factors. The factors that may affect Barry Callebaut's future financial results are stated in the Annual Report 2020/21 and include, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, the effect of a pandemic/epidemic or a natural disaster, as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of today, February 8, 2022. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

# Agenda

## **Barry Callebaut at a glance**

### **Forever Chocolate – our plan to make sustainable chocolate the norm**

- Forever Chocolate Strategy
- Materiality assessment
- Social aspects: prospering farmers and zero child labor
- Environmental aspects: thriving nature, sustainable chocolate

## **Corporate Governance**

## **Questions & Answers**



# Barry Callebaut at a glance

# Strong values - basis for successful business model

We are the heart and engine of the chocolate and cocoa industry



**FOREVER CHOCOLATE**

120 years of Chocolate experience

Big enough to matter, small enough to care

**FY 2020/21:**

**2.2 million**

Sales volume in tonnes



**+4.6%**

Volume growth

**566.7**

EBIT in CHF million

**7.2 billion**

Sales revenue in CHF

**25**

CHOCOLATE ACADEMY™ Centers



More than **335,000**

chocolate professionals trained online and offline in 2020/21

More than **12,500** employees



All Gourmet brands use

**100%** sustainably sourced cocoa



**43%**

products sold containing 100% sustainable cocoa or chocolate

## Cocoa Products

**20%\*** of total volume

selling to all size of **FMCG** companies, mainly **at market prices** and partly cost-plus.

Main profit levers include **global set-up**, customer / product mix and combined ratio.



## Food Manufacturers

**69%\*** of total volume

Selling to all size of **FMCG** companies **with cost-plus** pricing model.

Main profit levers include, customer/product **mix** and **economies of scale**.



## Gourmet & Specialties

**13%\*** of total volume

Selling to **Professionals**, Food **Chains**, **Distributors** and **Horeca**. **Price List** business.

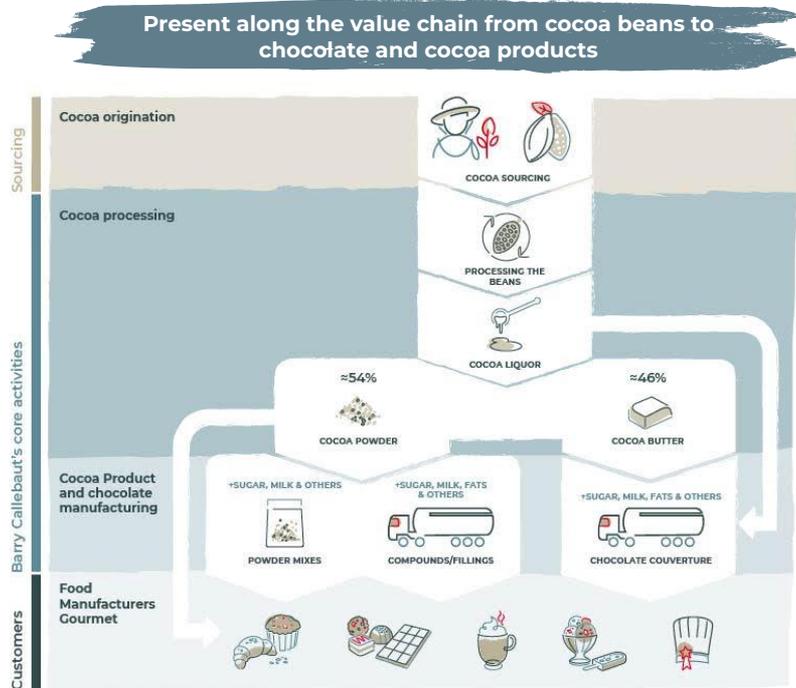
Main profit levers include **Expansion** of global brands, **adjacent products** and **Innovation & Sustainability**.



\*Percentage of Q1 2021/22 Group sales volume

Passing on the cost of raw materials to customers underpins profit stability by mitigating the volatility impact of main raw materials

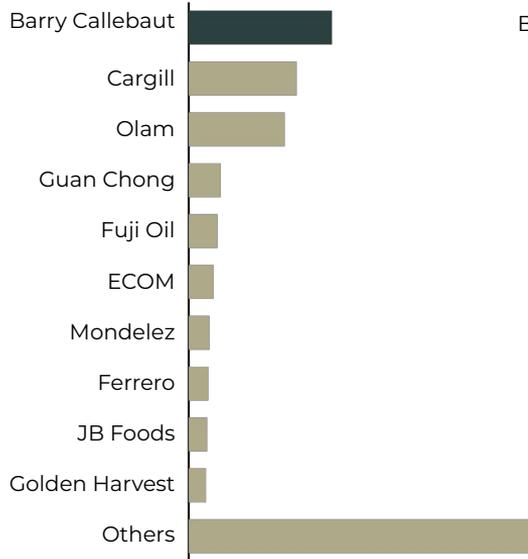
# We are present in key parts of the value chain and have a global footprint combined with local service



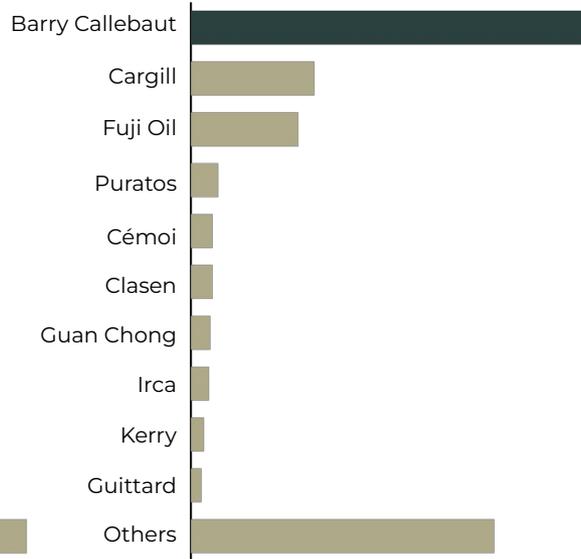
More than 60 Cocoa factories in countries of origin and chocolate factories close to our customers. With our 25 CHOCOLATE ACADEMY™ Centers worldwide we are at the pulse of any trends in the industry.

# A strong global market leader

**Cocoa grinding capacity**  
(kMT)



**Industrial Chocolate**  
(open market – kMT)



**Market impact**



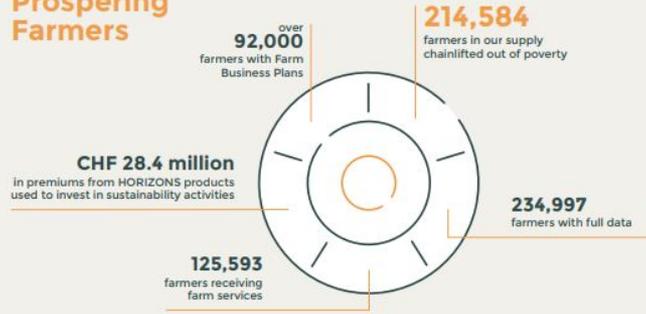
Note: Olam incl. ADM, Cargill incl. ADM chocolate business and SMET, Fuji oil incl. Harald and Blommer, Irca incl. Dobra, Guan Chong including Schokinag. Source: BC proprietary estimates

# Consistent long-term strategy – sharpened business model

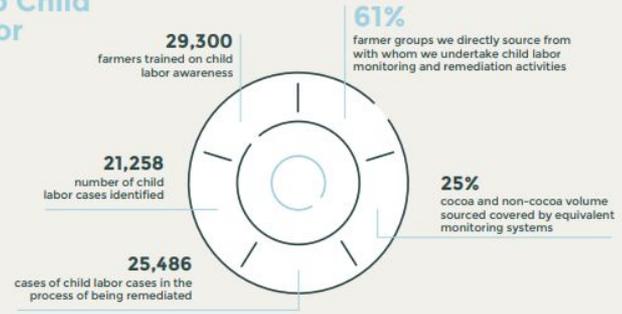


# Our measured impact 2020/21

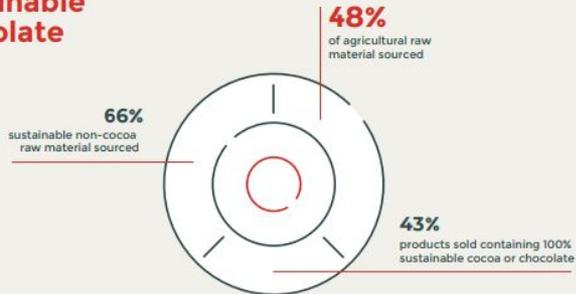
## Prospering Farmers



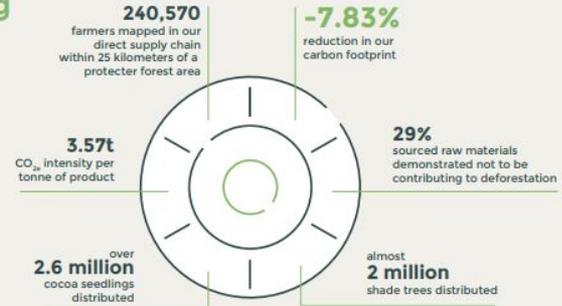
## Zero Child Labor



## Sustainable Chocolate



## Thriving Nature



# Forever Chocolate: our plan to make sustainable chocolate the norm

# Forever Chocolate: our plan to make sustainable chocolate the norm by 2025



## PROSPERING FARMERS

By 2025, more than 500,000 cocoa farmers in our supply chain will have been lifted out of poverty



## ZERO CHILD LABOR

By 2025 we will eradicate child labor from our supply chain



## THRIVING NATURE

By 2025 we will be carbon and forest positive

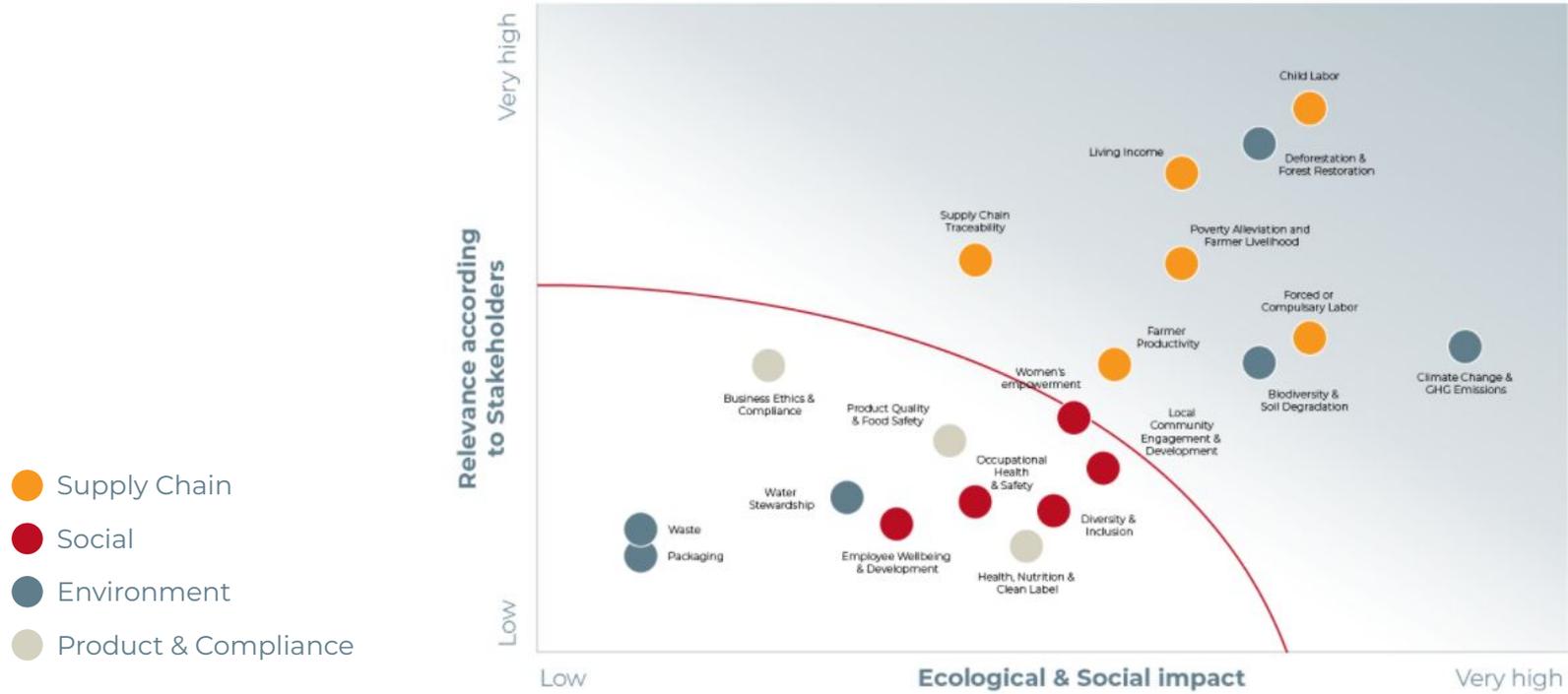


## SUSTAINABLE CHOCOLATE

By 2025 we will have 100% sustainable ingredients in all of our products

**Becoming the  
Sustainability  
solution partner  
for customers -  
together making  
sustainable  
chocolate the  
norm.**

# Materiality Assessment 2021



**Over 70%, of the world's cocoa supply comes from Côte d'Ivoire and Ghana.**

**The majority are smallholder farmers, with less than 4 hectares.**

**Farming is typically located in remote regions with poor access to social services, such as health care and good quality education.**



**PROSPERING FARMERS**

By 2025, more than 500,000 cocoa farmers in our supply chain will have been lifted out of poverty

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Change in **existing farming models**

**Farm Business Plans**

Tailor-made services to farmers through **Farm Services**

CACAO  
DES  
MEMBRES

CACAO  
Certifié

INTERDIT  
DE  SE  
COUCHER SUR LES SACS

**214,584**

baseline measurement of the number of cocoa farmers in our supply chain out of poverty, measured against the World Bank's USD 1.90/day threshold for extreme poverty

**125,593**

farmers receiving farm services

**234,997**

farmers with full data

**92,508**

farmers with Farm Business plans

**CHF 28.4 million**

in premiums from HORIZONS products used to invest in sustainability activities



**ZERO CHILD LABOR**

By 2025 we will eradicate child labor from our supply chain

**By 2025, we will eradicate child labor from our supply chain**

**Child centric approach** with community engagement

**Structural solutions** to solve root causes i.e., poverty alleviation

Enabling environment and **due diligence legislation** in cocoa growing and consuming countries

**21,258**

number of child labor cases identified

**25,486**

cases of child labor cases in the process of being remediated

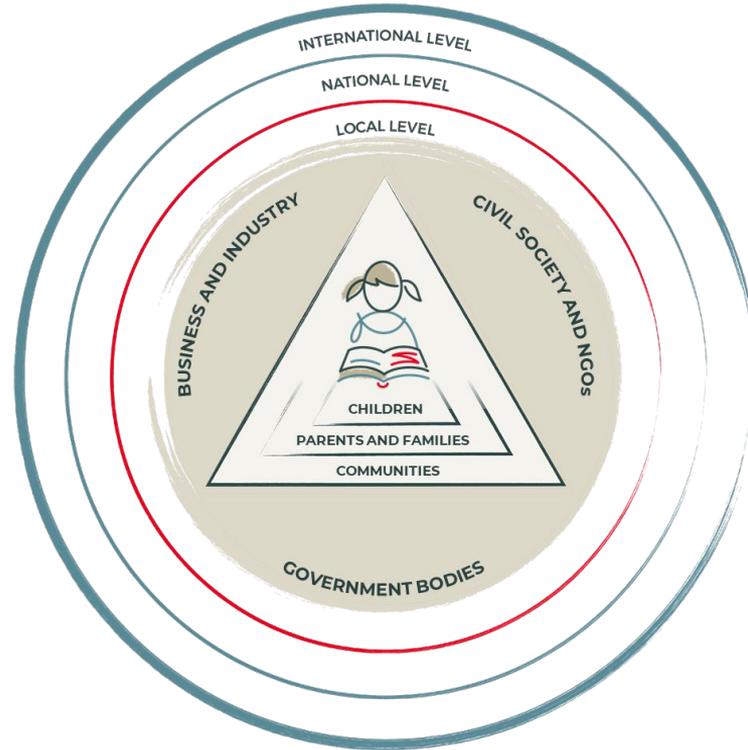
**61%**

farmer groups we directly source from with whom we undertake child labor monitoring and remediation activities

**25%**

cocoa and non-cocoa volume sourced covered by equivalent monitoring systems

# A strong child centric approach





**THRIVING NATURE**

By 2025 we will be carbon and forest positive

**By 2025, we will be carbon and forest positive.**

**Digital** approach

Outstanding **carbon reduction progress** since 2016

**Biodiversity**, agroforestry and ecosystem restoration

**Tree protection** and habitat creation

**-17%**

reduction in our carbon intensity per tonne since the start of Forever Chocolate in 2016

**7.83**

million-tonne CO<sub>2e</sub> the carbon footprint of our supply chain from farm to customer

**over 10%**

reduction in Land Use Change

**3.57 t**

CO<sub>2e</sub> intensity per tonne of product

**29%**

sourced raw material demonstrated not to be contributing to deforestation

**Over 2.6 million**

cocoa seedlings distributed

**almost 2 million**

shade trees distributed



**SUSTAINABLE  
CHOCOLATE**

By 2025 we will have 100%  
sustainable ingredients  
in all of our products

**By 2025 we will have 100% sustainable  
ingredients in our products**

**Supporting customers** with sustainability  
solutions

**Growth** in sustainable products sold

**Cocoa Horizons** is our preferred vehicle for the  
implementation of sustainability activities

**66%**

sustainable non-cocoa raw  
materials sourced

**43%**

products sold containing 100%  
sustainable cocoa or chocolate

**48%**

of agricultural raw materials  
sustainably sourced



**FOREVER  
CHOCOLATE**

# Corporate Governance

# Governance model anticipates changing policy landscape

## Internal Governance

- Sustainability part of long term strategy, which is set out by Board of Directors
- Sustainability roll out led by dedicated
- Sustainability Team reporting into Chief of Innovation, Sustainability & Quality Officer; Global Head of Gourmet (strategy and impact assessment) in close collaboration with the Global Cocoa team (implementation of activities on the ground)
- Cross -functional Human Rights Committee overseeing a coordinated integration of human rights policies, procedures and actions
- Aligned management interest with clear sustainability targets:
  - part of Short-Term Incentive Plan (STIP)
  - individual sustainable growth targets

## External Governance

### Existing reporting structure...

- Annual Forever Chocolate Progress reporting verified by PWC
- Progress reporting in accordance to GRI Standard Core
- Annual CDP reporting: Gold standard for Carbon emission reduction

### ...anticipate a changing policy landscape

- Publicly supported EU Due Diligence legislation
- Active participant on sustainability topics with origin governments, consuming regions and industry associations
- Closely following developments on EU Taxonomy and other reporting frameworks

# #3 sustainability strategy in the foods industry, leader among peers



**SUSTAINALYTICS**  
a Morningstar company

**ESG INDUSTRY TOP RATED**

2022

### Relative Performance

**3 out of 205** Relative Position  
Leader

Top 5 Companies	Score
1. Coca-Cola Europacific Partners Plc	83
2. Nestlé (Malaysia) Bhd.	80
3. <b>Barry Callebaut AG</b>	<b>77</b>
4. Danone SA	76
5. Coca-Cola HBC AG	76

Peers (Market cap \$13-\$13bn)	Score
<b>Barry Callebaut AG</b>	<b>77</b>
Coca-Cola HBC AG	76
Thai Beverage Public Co., Ltd.	70
Kikkoman Corp.	60
Jiugui Liquor Co Ltd	42

**ESG REPORT**

**Barry Callebaut AG**

**SUSTAINALYTICS**  
a Morningstar company

Industry: **Food Products**    Marketcap. **12,783 mm. USD**    Employees **12,545**  
Domicile: **Switzerland**    Ticker: **SWX:BARN**

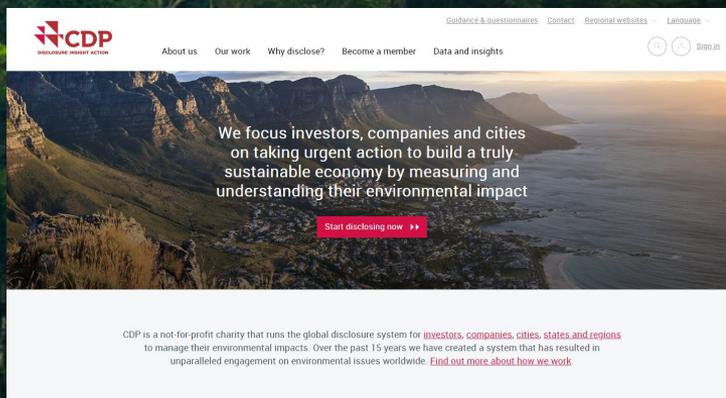
### ESG Summary

#### Overall Performance

<b>77</b> Overall ESG Score Leader Outperformer Average Performer Underperformer Laggard	<b>3 out of 205</b> Relative Position Leader	<b>99<sup>th</sup></b> Percentile Leader
<b>84</b> Environment Leader	<b>74</b> Social Leader	<b>70</b> Governance Average Performer

**FOREVER CHOCOLATE**

# Recognized leader by CDP



CDP assesses the carbon reduction plans of more than 12,000 companies every year, scoring them on a scale of A to F.

Barry Callebaut is one of 24 high-performing companies, securing a place on CDP's prestigious 'A List', as a leader in corporate action and transparency on deforestation.

# Q&A session



**Peter Boone**  
CEO



**Pablo Perversi**  
Chief of Innovation, Sustainability  
& Quality Officer; Global Head of  
Gourmet

THANK YOU

# Appendix

## Financial and Governance Reports

- A. [Annual Report 2020/21](#)
- B. [Corporate Governance](#)
- C. [Our Position on ESG](#)

## Social and Environmental:

- 1. [Forever Chocolate Progress Report 2020/21](#)
- 2. [Forever Chocolate Report web page](#)
- 3. [Global Reporting Initiative \(GRI\) and Index](#)
- 4. [Forever Chocolate Assurance statement \(PwC\), Management Statement and KPI's](#)
- 5. [Human Rights Policy](#)
- 6. [Deforestation Policy](#)
- 7. [Agroforestry Policy](#)
- 8. [Sustainable Sourcing Policies](#)
- 9. [Cocoa & Forests Initiative \(CFI\) Report 2019/20](#)
- 10. [Cocoa Horizons Annual Report 2019/20](#)
- 11. [Barry Callebaut support of Living Income Differential](#)
- 12. [Barry Callebaut Code of Conduct](#)
- 13. [#OneBC Diversity and Inclusion](#)