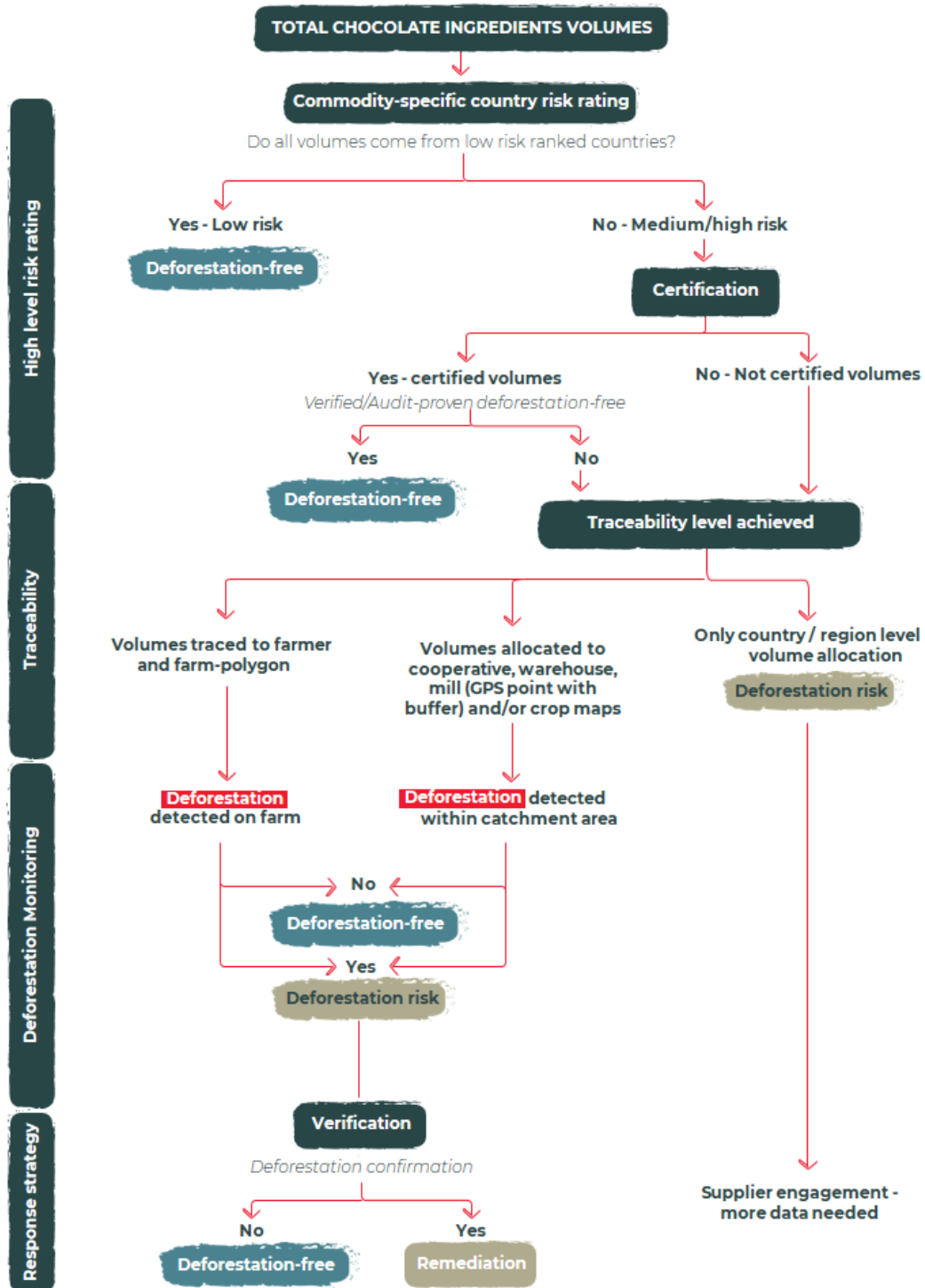


Deforestation-free Protocol

The purpose of this document is to provide clarity on Barry Callebaut’s processes to reduce deforestation within the cocoa and other ingredients supply chain. This document contains a graph with an explanation text and a summary table.



High-level risk rating and Traceability

The deforestation risks for all volumes are categorized per commodity according to the country where they originated from. Volumes from low risk countries where deforestation due to sourcing could not have happened are classified as deforestation-free according to the external third party rating system. The next step is to look at the traceability data, in order to distinguish between volumes that are partly coming from low-risk countries and can be classified as deforestation-free and those coming from medium/high risk countries. For the latter, satellite monitoring is needed in order to determine the deforestation risk.

Deforestation monitoring

The best approximation for deforestation currently available is tree cover loss events on areas identified as forests. Depending on the level of geographical details available, it can be checked whether there has been a tree cover loss event on a specific plot of land. The monitoring is satellite-based, looking at historical data as well as near real-time alerts. When farm-polygons are not available, the catchment area is monitored. The catchment area varies depending on the crop and data availability, including buffers around warehouses or mills and crop maps created through processed satellite imagery. If there are no deforestation events in the whole catchment area, corresponding volumes are considered deforestation-free. If tree cover loss events on forest areas are detected, a more detailed analysis takes place to check whether these are linked to Barry Callebaut's supply chain. If it can be proven that there is no link, the corresponding volumes can be considered deforestation-free.

Response strategy

In case potential deforestation is detected, additional verification and, where appropriate, remediation is required. In order to verify that a remotely detected deforestation event or alert constitutes real deforestation on the ground, as a first step verification, past and current high resolution satellite imagery are compared. In case the high resolution imagery confirms the deforestation event, a deforestation detection report is issued. On this basis, the supplier, mill, warehouse or sourcing team are contacted to conduct further assessments, such as collection of ground evidence in case of false detection or the development of a remediation action plan, such as an agroforestry intervention. Regular follow ups on the progress of remediation plans take place consistently.

	Cocoa direct sourcing	Cocoa indirect sourcing	Other ingredients indirect sourcing
High level risk rating	External risk rating at the crop and country level		
Traceability	Traceability to farmer and farm-polygon	Request suppliers origin country and spatial data, certification check and if available, third party verified deforestation-free evidence	
Deforestation monitoring	On-farm monitoring within farm-polygon boundaries	On-farm if farm-polygons are available, otherwise the catchment area is monitored	
Verification	Confirmation of deforestation through satellite data, field check and/or supplier engagement and request evidence of false detection		
Remediation	Provide remediation action plan with regular follow up on the progress		

Regulatory developments on deforestation

Barry Callebaut is closely following the regulatory developments on deforestation around the globe, such as the EU Deforestation Regulation. This protocol will be regularly updated in order to ensure that it responds in a timely manner to the upcoming regulatory requirements on deforestation.