

# GRI Report 2021/22

## CONTENT:

Barry Callebaut AG's 2021/22 GRI Index is based on the Global Reporting Initiative (GRI) Standards. GRI is the world's leading standard for corporate sustainability reporting ([www.globalreporting.org](http://www.globalreporting.org)). Through this GRI Index, together with the Forever Chocolate Progress Report and the Annual Report 2021/22, Barry Callebaut reports in accordance with the Core option of the GRI Standards.

All material standards and indicators discussed are reported as fully as the available data allow.

For further information please contact:

### Taryn Ridley

Lead ESG Integration & Communications  
 Barry Callebaut AG  
 Hardturmstrasse 181  
 CH-8005 Zurich  
 Phone: +41 43 204 04 04  
 Email: [taryn\\_ridley@barry-callebaut.com](mailto:taryn_ridley@barry-callebaut.com)

## Relevant GRI Standard(s)

<b>CHILD LABOR</b>	408: Child Labor 412: Human Rights Assessment 414: Supplier Social Assessment
<b>FORCED LABOR</b>	409: Forced Labor 412: Human Rights Assessment
<b>POVERTY</b>	203: Indirect Economic Impact 413: Local Communities
<b>FARMER INCOME</b>	203: Indirect Economic Impact 413: Local Communities
<b>LOW YIELDS</b>	203: Indirect Economic Impact
<b>FUTURE COCOA SUPPLY</b>	201: Economic Performance 203: Indirect Economic Impact 304: Biodiversity
<b>TRACEABILITY</b>	308: Supplier Environmental Assessment 414: Supplier Social Assessment
<b>HEALTH &amp; SAFETY</b>	403: Occupational Health and Safety 414: Supplier Social Assessment
<b>TALENT</b>	404: Training and Education 405: Diversity and Equal Opportunity
<b>EMPLOYEE ENGAGEMENT</b>	401: Employment
<b>CLIMATE CHANGE</b>	302: Energy 305: Emissions
<b>DEFORESTATION</b>	304: Biodiversity 308: Supplier Environmental Assessment
<b>CO<sub>2</sub> EMISSIONS</b>	302: Energy 305: Emissions
<b>AIR POLLUTION</b>	305: Emissions
<b>SOIL DEGRADATION</b>	304: Biodiversity
<b>WATER</b>	303: Water
<b>COMPLIANCE</b>	205: Anti-Corruption 206: Anti-Competitive Behavior 307: Environmental Compliance 410: Security Practices 415: Public Policy 419: Socio-Economic Compliance

## GRI 102: GENERAL DISCLOSURES

### Organizational Profile

Disclosure number	Disclosure title	Answer
102-1	<b>Name of the organization</b>	Barry Callebaut AG
102-2	<b>Activities, brands, products, and services</b>	Barry Callebaut is the world's leading supplier of high-quality chocolate and cocoa products, with more than 13,418 employees operating out of more than 40 countries. Its main brands are: Barry Callebaut, Callebaut, Cacao Barry, Carma, and Mona Lisa. For further information: <a href="https://www.barry-callebaut.com/en/brands">https://www.barry-callebaut.com/en/brands</a>
102-3	<b>Location of headquarters</b>	Barry Callebaut AG, Hardturmstrasse 181, 8005 Zurich, Switzerland
102-4	<b>Location of operations</b>	<a href="https://www.barry-callebaut.com/en/contact">https://www.barry-callebaut.com/en/contact</a>
102-5	<b>Nature of ownership and legal form</b>	<p>Barry Callebaut AG ("The Company") was incorporated on December 13, 1994, under Swiss law, having its head office in Zurich, Switzerland, at Hardturmstrasse 181, 8005 Zurich. Barry Callebaut AG is registered in Switzerland and has been listed on the SIX Swiss Exchange (BARN, ISIN Number: CH0009002962) since 1998. As at August 31, 2022, the market capitalization based on issued shares was CHF 10,999.7 million (August 31, 2021: CHF 12,822.0 million).</p> <p>The significant shareholders of the Company are listed in Note 5.4 to the Consolidated Financial Statements, with Jacobs Holding AG as the reference shareholder holding 30.1% of the issued share capital (2021: 30.1%).</p>
102-6	<b>Markets served</b>	Barry Callebaut offers its products in 144 countries across the following regions: Europe, Americas, Asia Pacific. The Company serves clients in the Food & Beverage industry. Barry Callebaut serves the entire industry, from food manufacturers to artisans and professional users of chocolate such as chocolatiers, pastry chefs, or bakers; the Company also supplies products for vending machines.
102-7	<b>Scale of the organization</b>	As of August 31, 2022, the total number of employees was 13,418 and Barry Callebaut operated 66 factories. The annual sales in fiscal year 2021/22 (ended August 31, 2022), amounted to CHF 8.1 billion. Barry Callebaut's market capitalization based on issued shares was CHF 11 billion and the debt to equity ratio was 41.3%. In fiscal year 2021/22, Barry Callebaut achieved healthy volume growth of +5.3% to 2,306,681 tonnes.
102-8	<b>Information on employees and other workers</b>	<p>At the end of the fiscal year 2021/22, Barry Callebaut had 13,418 employees. The Company had: 3,964 permanent and 146 temporary female employees; 9,001 permanent and 305 temporary male employees, 2 employees without gender identification. Employees in EMEA: 5,826 permanent and 307 temporary; Americas: 3,848 permanent and 69 temporary; Asia: 1,942 permanent and 39 temporary; Africa: 1,353 permanent and 34 temporary; 3,735 full-time and 374 part-time female employees; 9,095 full-time and 211 part-time male employees; 2 full-time employees without gender identification.</p> <p>The following types of workers perform organization activities: Consultants, Agency Temps, Members of the Board of Directors, Contractors, Trainees, Volunteers / Students. Information on employees is collected in Barry Callebaut's internal HR system (Global HRIS System Success Factors). As from September 2018, the Company collects granular data on employees in the Barry Callebaut's Leadership Academy. At the end of 2021/22, 46 employees were assigned to the Barry Callebaut's Leadership Academy.</p>
102-9	<b>Supply chain</b>	Barry Callebaut is fully vertically integrated along the entire value chain. The Company sources cocoa directly from smallholder farmers in Côte d'Ivoire, Ghana, Cameroon, Indonesia, Brazil, Ecuador, and Nigeria as well as from third-party suppliers from the main cocoa-producing countries. Cocoa beans and chocolate are processed or produced in 66 factories operated directly by Barry Callebaut. Its main brands are Barry Callebaut, Bensdorp, Callebaut, Cacao Barry, Carma, Caprimo, Chocovic, La Morella Nuts, Le Royal, Mona Lisa, SICAO, Van Leer, Van Houten Professional, and Van Houten Drinks.
102-10	<b>Significant changes to the organization and its supply chain</b>	<ul style="list-style-type: none"> <li>- In the fiscal year 2021/22, the significant changes to the organization's size and structure include the following:</li> <li>August 2022 <ul style="list-style-type: none"> <li>- Office and CHOCOLATE ACADEMY™ Center relocated to the heart of Shanghai, China</li> <li>- Sustainability ranks Barry Callebaut #1 for management of ESG risks</li> </ul> </li> <li>June 2022 <ul style="list-style-type: none"> <li>- Long-term distribution agreement with Levapan to expand in Latin America</li> </ul> </li> <li>May 2022 <ul style="list-style-type: none"> <li>- Barry Callebaut establishes a state-of-the-art cocoa export facility in Ecuador</li> <li>- New CHOCOLATE ACADEMY™ Center in Casablanca, Morocco</li> <li>- Opening of new Business Excellence Center in Asia Pacific</li> </ul> </li> <li>April 2022 <ul style="list-style-type: none"> <li>- Barry Callebaut to build specialty chocolate factory in Brantford, Canada</li> </ul> </li> <li>March 2022 <ul style="list-style-type: none"> <li>- Grupo Bimbo and Barry Callebaut extend strategic supply agreement</li> </ul> </li> <li>February 2022 <ul style="list-style-type: none"> <li>- Expansion of chocolate factory completed in Campbellfield, Australia</li> </ul> </li> <li>February 2022 <ul style="list-style-type: none"> <li>- Barry Callebaut recognized as Supplier Engagement Leader by CDP</li> </ul> </li> <li>November 2021 <ul style="list-style-type: none"> <li>- Launch of Callebaut NXT, 100% plant-based chocolate</li> </ul> </li> <li>November 2021 <ul style="list-style-type: none"> <li>- The global decoration brand Mona Lisa expands to Mexico, its 50<sup>th</sup> market globally</li> </ul> </li> <li>October 2021 <ul style="list-style-type: none"> <li>- Chocolate factory inaugurated in Novi Sad, Serbia – Barry Callebaut unveils Elix, the first nutraceutical fruit drink</li> </ul> </li> <li>September 2021 <ul style="list-style-type: none"> <li>- The world's largest and most sustainable chocolate warehouse inaugurated in Lokeren, Belgium</li> </ul> </li> <li>September 2021 <ul style="list-style-type: none"> <li>- Hershey and Barry Callebaut extend strategic supply agreement</li> </ul> </li> </ul>

Disclosure number	Disclosure title	Answer
102-11	<b>Precautionary principles or approach</b>	Barry Callebaut considered the following references in development of the HACCP (Hazard Analysis and Critical Control Point) principles: Guidance on Food Allergen Management for Food Manufacturers Food Drink Europe (2013), Global Standard for Food Safety: Guidelines for Allergen Management (2014), FARRP – International Regulatory Chart (2015), European Food Safety Authority, FAO/WHO Food Standards. Codex Alimentarius. General standard for the labelling of prepackaged foods (1991), Guidance on Allergen Management and Consumer Information. Best Practice Guidance on Managing Food Allergens with Particular Reference to Avoiding Cross-Contamination and Using Appropriate Advisory Labelling, FSA (2006).
102-12	<b>External initiatives</b>	Among the main external initiatives which Barry Callebaut endorses and supports are: the Dutch Sustainable Trade Initiative (IDH), The German Development Finance Institution (DEG), Save the Children, Fairtrade, ILO Impact Insurance Facility, International Finance Corporation (IFC), Jacobs Foundation, Livelihoods Fund for Family Farming, Mastercard Fund for Rural Prosperity, Opportunity International, One Planet Business for Biodiversity (OP2B), UTZ/Rainforest Alliance, The Sustainable Agriculture Initiative Platform, and the International Cocoa Initiative (ICI).
102-13	<b>Membership in associations</b>	<p><b>Cocoa relevant</b></p> <p>AABICAB, AIDEPIT, AIPC, Alliance7, Amcham, Ania, Aschoko/Confimex, BDSI, BLL &amp; BVE, Belgian Confectionary Association (Choprabisco), Beyond Chocolate, Biscosuise, Bundesverband der Deutschen Süßwarenindustrie, China National Candy Association, Chocolate and Cocoa Association of Japan, Chocosuisse, Cocoa Association of Asia, Cocoa Merchants Association of America (CMAA), DISCO, EFOSZ, European Cocoa Association (ECA), European Confectionary Association (Caobisco), Federalimentare, FRISCO, GISCO, FAARP, Federation of Malaysian Manufacturer, FEVIA, FDP, FIAL, FNL, GAPMM Indonesia, GEPEX, Hunbisco, Index Nuovo León, International Cocoa Initiative, International Cocoa Organization, INC International Nut and Dried Food, Indonesia Cocoa Association, Japan International Cooperation Agency (JICA), Malaysia Cocoa Board, National Confectioners Association (NCA), One Planet for Business for Biodiversity (OP2B), Polbisco, Produce, SGLH, Singapore Manufacturing Federation, SWISSCO, SVLQ, SVG, VBZ, Unione Ind. LI VCO, World Cocoa Foundation.</p> <p><b>Other ingredients</b></p> <p>Bee friendly, Bonsucro, Coalition for Sustainable Livelihoods, AIM-Progress, Sustainable Vanilla Initiative, Roundtable on Sustainable Palm Oil (RSPO), Roundtable on Sustainable Coconut and Coconut Oil, Sustainable Agriculture Initiative Platform (SAI), ProTerra Foundation and Stakeholder Council, SOS Cerrado, Supplier Ethical Data Exchange (Sedex), Cool Farm Alliance, Palm Oil Network Switzerland, ASACAM, North American Sustainable Palm Oil Network (NASPON), China Alliance for Sustainable Palm Oil, High Carbon Stock Approach (HCSA), Forest Stewardship Council (FSC), Singapore Alliance for Sustainable Palm Oil (SASPO).</p> <p><b>Industry</b></p> <p>World Business Council on Sustainable Development (WBCSD)</p>

## Strategy

102-14	<b>Statement from senior decision-maker</b>	<p><b>Message from the CEO</b></p> <p>It is with great pleasure that I present to you our sixth Forever Chocolate Progress Report. It's been a year of collaboration, achievement and valuable partnerships. A year that once again underlined what impact can be created when key stakeholders join forces and work together for a fully sustainable cocoa sector.</p> <p>Our key achievements for 2021/22 reflect our tangible impact on the ground. To name one, this year, we increased the proportion of products sold containing 100% sustainable cocoa or chocolate to 49.4%. This is the equivalent of one in two products we sell. This is a tremendous achievement made possible by our customers and our suppliers committed to a sustainable cocoa supply chain.</p> <p>Through collaboration with some of our global customers, we've developed programs aiming to offer subsidized soil inputs and paid labor teams to support farmers with the cost of production. These programs were ramped up across 8,000 hectares in Côte d'Ivoire and Ghana. Under our Zero Child Labor pillar, we have placed a lot of emphasis on a child-centric approach, reaching 80.6% of the farmer groups in our direct supply chain that have child-labor-focused due diligence systems in place. We have also supported CLEF (Child Learning and Education Facility), an innovative public-private partnership focused on scaling investments to improve access to quality education in Côte d'Ivoire.</p> <p>This year has also been a year of reflection – how do we move the needle beyond our direct supply chain? How do we drive progress and transformative action across the entire cocoa supply chain? The answer lies in multi-stakeholder coordinated action, in shaping policy and action together. We are proud to be a leading industry voice in these developments. Together with other companies, industry associations and NGOs, we have publicly endorsed legislation on human rights and environmental due diligence for the cocoa sector. It is gratifying to see that our advocacy efforts are yielding results – the upcoming EU legislation will provide an impetus to strengthen an enabling environment, as well as the market pull, for sustainable cocoa. Legislation, however, is no carte blanche for companies to lose ambition. While governments raise the floor, we want to continue to raise the ceiling. Halfway through the Forever Chocolate timeline, we have reflected in the past year on the impact we generated since 2016, and on what we aim to achieve in the years to come, towards 2025 and beyond. Keeping pace with the constantly evolving sustainability landscape, regulatory requirements, stakeholder expectations, while using our ongoing Forever Chocolate targets for 2025 as a springboard, we will present a set of sharpened targets in spring 2023. Our purpose is to continue driving change at scale, elevate ambition in the sector and recalibrate targets to integrate recognised sustainability standards.</p> <p>I would like to thank our employees, partners, suppliers and customers for embracing our sustainability pathway – all our accomplishments were possible only with their dedication and passion. I warmly invite other stakeholders to join the Forever Chocolate movement. Together, we can make sustainable chocolate the norm.</p> <p><b>Peter Boone</b> CEO of Barry Callebaut</p>
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## Ethics and Integrity

Disclosure number	Disclosure title	Answer
102-16	<b>Values, principles, standards, and norms of behavior</b>	<p>Barry Callebaut values are customer focus, entrepreneurship, team spirit, passion, and integrity.</p> <p>Barry Callebaut developed its Code of Conduct in 2002 (updates in 2011, 2013, 2016, and 2022). The document is approved by the Executive Committee and signed by the CEO. The Chairman of the Audit, Finance, Risk, Quality &amp; Compliance Committee (AFRQCC) is informed about compliance cases and compliance activities. The importance of this document and its implementation is amplified by the fact that the Chairman of the NCC is a member of the AFRQCC.</p> <p>All employees are expected to behave in ways that reflect the corporate values and to show responsibility and good citizenship in business dealings. The principles and guidelines for behavior are set forth in the Code of Conduct, which is available in 17 languages and signed by every employee when they join the Company.</p> <p>The document is available on Barry Callebaut's website. Please visit:  <a href="https://www.barry-callebaut.com/en/group/forever-chocolate/ethical-sourcing-and-business/code-conduct">https://www.barry-callebaut.com/en/group/forever-chocolate/ethical-sourcing-and-business/code-conduct</a></p> <p>Barry Callebaut's business partners receive the Supplier Code. The Supplier Code includes a reference to their values. Please visit:  <a href="https://www.barry-callebaut.com/en/group/forever-chocolate/ethical-sourcing-and-business/sustainable-sourcing">https://www.barry-callebaut.com/en/group/forever-chocolate/ethical-sourcing-and-business/sustainable-sourcing</a></p> <p>Additional information, policies, and reports on a broad range of ESG topics are also publicly available on a dedicated ESG information page. please visit:  <a href="https://www.barry-callebaut.com/en/group/about-us/our-positions-on-esg">https://www.barry-callebaut.com/en/group/about-us/our-positions-on-esg</a></p>

## Governance

102-18	<b>Governance structure</b>	<p>As of November 2, 2016, the Barry Callebaut Group is organized into different regions: EMEA (Europe, Middle East, Africa), Americas, and Asia Pacific. The globally managed Global Cocoa is, like a Region, reported as a separate segment. Barry Callebaut's business can also be separated into three different Product Groups: Food Manufacturers Products, Gourmet &amp; Specialties Products, and Cocoa Products.</p> <p>Committees of the highest governance body include the Board of Directors; the Audit, Finance, Risk, Quality &amp; Compliance Committee; the Nomination &amp; Compensation Committee; and the Internal Audit.</p> <p>The ESG and sustainability agenda is strongly driven by Barry Callebaut's top management. The cross-functional Sustainability Steering Committee is chaired by the CEO and includes all members of the Executive Committee and top managers of Barry Callebaut. The Committee meets quarterly to review sustainability strategy and progress.</p>
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## Stakeholder Engagement

Disclosure number	Disclosure title	Answer
102-40	List of stakeholder groups	Barry Callebaut is a vertically integrated company, and therefore its stakeholders include all parties along the cocoa value and supply chain: farmers, suppliers, governments, and donors. Besides the customers, the other major stakeholder groups are employees, investors, media, industry associations / platforms, governments, and NGOs.
102-41	Collective bargaining agreements	Percentage of employees covered by collective bargaining agreements is 49%.
102-42	Identifying and selecting stakeholders	Barry Callebaut engages with all identified stakeholder groups to drive a shared vision for the future of the cocoa industry and at the same time to respond to challenges shared with the identified stakeholder groups. We are in regular dialogue with customers, investors, media, governments, industry associations, multi-stakeholder initiatives, and NGOs and take into consideration their views, expectations, or concerns on sustainability matters. Issues which are deemed relevant to our stakeholders and our business are plotted in a materiality matrix. How we manage these issues depends on their relevance to both stakeholders and Barry Callebaut.
102-43	Stakeholder engagement	<p>At Barry Callebaut, our values represent a mindset and way of doing business that is committed to generating sustainable earnings over time and creating long-term value for all stakeholders. We are dedicated to running all our operations with transparency and integrity, including reporting on our social, environmental and governance (ESG) management and risks. We always seek to understand issues of concern and respond accordingly.</p> <p>In 2015, Barry Callebaut identified issues material for the sustainability of its business and the context in which the Company operates. Regular dialogue with stakeholders ranging from farmer cooperatives to customers and from investors to governments helps to inform our approach to these issues. We are in regular dialogue with customers, investors, media, governments, industry associations, multi-stakeholder initiatives, and NGOs and take into consideration their views, expectations, or concerns on sustainability matters. Issues which are deemed relevant to our stakeholders and our business are plotted in a materiality matrix. How we manage these issues depends on their relevance to both stakeholders and Barry Callebaut.</p> <p>Our level of engagement depends on how material the issue is to us and our stakeholders. We manage and report on all other issues identified as material, while we monitor those of lower relevance. An updated materiality assessment was conducted through an online survey in spring 2018. The latest materiality assessment was published in April 2021.</p> <p>The survey was sent to both internal and external stakeholders and responses from the following stakeholder groups were received and taken into consideration: employees, investors, NGOs, customers, suppliers, industry platforms, donors, implementing partners, analysts, IGOs, and others. To view our latest materiality index, please visit: <a href="https://www.barry-callebaut.com/en/group/forever-chocolate/forever-chocolate-strategy/thats-what-forever-chocolate-all-about">https://www.barry-callebaut.com/en/group/forever-chocolate/forever-chocolate-strategy/thats-what-forever-chocolate-all-about</a></p> <p>Barry Callebaut maintains a regular dialogue with stakeholders through both participation in external activities (like workshops and conferences) as well as through organization of own internal activities (such as feedback sessions).</p> <p>In 2021, Barry Callebaut hosted its first dedicated ESG Investor Roadshow and Governance Roadshow to present and discuss ESG topics with interested investors.</p>
102-44	Key topics and concerns raised	<p>Together with the stakeholders, a number of topics were identified in 2015 and reconfirmed in 2018 and 2021:</p> <p>Farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance, child labor, living income, climate change and greenhouse gas emissions, deforestation and forest restoration, and supply chain traceability. All of the topics are addressed by Barry Callebaut's Forever Chocolate Strategy and its ambitious targets: eradicate child labor from Barry Callebaut's supply chain; lift more than 500,000 farmers out of poverty; become carbon and forest positive; have 100% sustainable ingredients in all of Barry Callebaut's products.</p>

## Reporting Practice

Disclosure number	Disclosure title	Answer
102-45	<b>Entities included in the consolidated financial statements</b>	See Annual (Financial) Report 2021/22: <a href="https://www.barry-callebaut.com/sites/default/files/2022-11/Barry_Callebaut_Annual_Report_2021-22-.pdf">https://www.barry-callebaut.com/sites/default/files/2022-11/Barry_Callebaut_Annual_Report_2021-22-.pdf</a>
102-46	<b>Defining report content and topic boundaries</b>	<p>This report represents a holistic materiality universe and sustainability issues that are at the core of the food and beverage industry. Barry Callebaut aims for continuous and transparent reporting on its sustainability activities and achievements. To further enhance and improve the monitoring and evaluation of its activities, annual sustainability results are verified by an external third party.</p> <p>The Company engaged all stakeholder groups to contribute to its materiality matrix. The materiality matrix therefore represents a set of topics relevant for the entire stakeholder universe of Barry Callebaut.</p> <p>Barry Callebaut takes into consideration its size and reach. With operations in more than 40 countries and more than 13,000 employees, Barry Callebaut is a major player in the cocoa and chocolate industry. With operations to source cocoa across the globe, while growing our direct sourcing capacity, Barry Callebaut's presence in cocoa origin producing countries enables us to source the largest volume of cocoa, and sustainable cocoa, in the world. Non-cocoa ingredients are sourced from third-party suppliers who are actively engaging on sustainability issues. This includes both structured engagements such as our Vision Dairy charter as well as project work on a variety of ingredients, including for example cane sugar.</p>
102-47	<b>List of material topics</b>	<p>The latest materiality assessment was published in April 2021.</p> <p>The survey was sent to both internal and external stakeholders and responses from the following stakeholder groups were received and taken into consideration: employees, investors, NGOs, customers, suppliers, industry platforms, donors, implementing partners, analysts, IGOs, and others.</p> <p>Material topics in the latest assessment: Farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance, child labor, living income, climate change and greenhouse gas emissions, deforestation and forest restoration, and supply chain traceability</p> <p>All of the topics are addressed by Barry Callebaut's Forever Chocolate Strategy and its ambitious targets: eradicate child labor from Barry Callebaut's supply chain; lift more than 500,000 farmers out of poverty; become carbon and forest positive; have 100% sustainable ingredients in all of Barry Callebaut's products.</p> <p>Compliance, community engagement, women's empowerment, health and safety, talent and diversity, employee wellbeing, health, nutrition and clean label, water stewardship, waste and packaging are topics not directly identified in Barry Callebaut's materiality matrix. They are nevertheless included in the GRI Report to paint a full picture of the sustainability activities. They co-define how Barry Callebaut lives its corporate values, serves customers, and honors its commitments.</p> <p>To view our latest materiality index, please visit: <a href="https://www.barry-callebaut.com/en/group/forever-chocolate/forever-chocolate-strategy/thats-what-forever-chocolate-all-about">https://www.barry-callebaut.com/en/group/forever-chocolate/forever-chocolate-strategy/thats-what-forever-chocolate-all-about</a></p>
102-48	<b>Restatements of information</b>	None
102-49	<b>Changes in reporting</b>	None
102-50	<b>Reporting period</b>	September 1, 2021, to August 31, 2022
102-51	<b>Date of most recent report</b>	GRI Report 2020/21 (December 2021) Annual Report (November 2022)
102-52	<b>Reporting cycle</b>	Annual
102-53	<b>Contact point for questions regarding the report</b>	Taryn Ridley, Lead ESG Integration & Communications Phone: +41 43 204 04 04 Email: <a href="mailto:taryn_ridley@barry-callebaut.com">taryn_ridley@barry-callebaut.com</a>
102-54	<b>Claims of reporting in accordance with the GRI Standards</b>	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	<b>GRI content index</b>	See individual GRI Disclosures
		In addition, a list of ESG related materials and topics can be found at: <a href="https://www.barry-callebaut.com/en/group/about-us/our-positions-on-esg">https://www.barry-callebaut.com/en/group/about-us/our-positions-on-esg</a>
102-56	<b>External assurance</b>	An assurance report and statement is publicly available online via: <a href="https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting/verification-assurance-reports">https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting/verification-assurance-reports</a> The auditing partner, PwC UK, audited the Forever Chocolate Progress Report 2021/22.

## GRI 103: MANAGEMENT APPROACH

### Management Approach

Disclosure number	Disclosure title	Answer
103-1	<p><b>Explanation of the material topic and its boundary</b></p>	<p><b>Child labor</b>                      Among the most prevalent types of child labor, occurring primarily on family farms, is that of children working at too young an age or working in hazardous conditions. There are still an estimated 1.56 million children in Côte d'Ivoire and Ghana involved in child labor for cocoa cultivation. Barry Callebaut manages child labor (or human rights violations) in its own operations. The risk is much lower in factory production as it is regulated both by laws and by internal means.</p> <p><b>Farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance</b>                      As a result of low yields due to poor farming practices, aging trees, and limited access to inputs such as fertilizer and planting materials, the average cocoa farmer's income is below the World Bank's extreme poverty line of USD 1.90/day. Such low income makes it impossible for farmers to invest in their farms, or to hire staff to work the fields. Barry Callebaut works with farmers across major cocoa producing regions to ensure the future of cocoa supply and improve their livelihoods by supporting farmers to modernize agriculture and cultivation methods, increase yields, diversify income, and professionalize farming practices. Barry Callebaut focuses on three main components to improve a cocoa farmer's quality yield per hectare: improved planting material, productivity packages, and financial support for third-party labor services. In addition, Barry Callebaut is working alongside customers on several premium paying programs.</p> <p><b>Climate change, greenhouse gas emissions, forest restoration, and biodiversity</b>                      Deforestation is one of the biggest causes of global warming. It emits carbon dioxide into the atmosphere through the "slash and burn" method for clearing forests, and at the same time reduces the number of trees that can absorb carbon dioxide. Further down, considerable amounts of CO<sub>2</sub> emissions are emitted through chocolate production itself. Therefore, Barry Callebaut has a holistic approach towards managing its CO<sub>2</sub> footprint and understanding the impacts of climate change.</p> <p><b>Talent, diversity, employee engagement, and health and safety</b>                      Attracting the best talents from across the world is the basis for Barry Callebaut's growth and prosperity. The Company offers a safe, engaging and collaborative workplace for its people, as well as the development and career growth opportunities they require to deploy their full potential. Barry Callebaut is fully committed to a working environment where business is conducted with integrity and in a manner where employees feel fully engaged, supported, and safe from injuries. Employees are required to comply with all internal safety measures and will speak up, correct, or report to a manager, when safety is at risk.</p>
103-2	<p><b>The management approach and its components</b></p>	<p>In order to deliver on its Forever Chocolate targets, Barry Callebaut set up a program structure to ensure focus and alignment around the activities it needs to perform. The Forever Chocolate program is supported by the full Executive Committee, who sit in the steering committee together with key stakeholders. Barry Callebaut's Chief Sustainability Officer is an Executive Committee member who sponsors the program, with managerial leadership by the VP, Head of Sustainability.</p> <p>The program has been structured around the four pillars of Forever Chocolate: Zero Child Labor (eradicate child labor from the supply chain); Prospering Farmers (lift 500,000 farmers out of poverty); Thriving Nature (be carbon and forest positive); and Sustainable Chocolate (have 100% sustainable ingredients in all Barry Callebaut products). Each of these pillars is led by a business expert with deep knowledge of the topic, and a project manager to drive and steer the different projects and programs. The program has dedicated resources responsible for strategic planning, implementation, and for the review process.</p> <p><b>Child Labor</b>                      Barry Callebaut aims to have zero children involved in hazardous labor in its supply chain by 2025. This is measured by the number of child labor cases identified and remediated in its supply chain. Tackling poverty is a long-term solution to child labor, but in the short term the Company puts in place solid monitoring and remediation systems and will implement a community approach to tackling child labor, in order to identify and forever eliminate child labor. The approach to eradicating child labor is based on child-centered systems strengthening and applying data driven risk analysis capabilities under the overarching framework of human rights due diligence, which closely follows the OECD Guidance for Responsible Business Conduct. A child-centered approach starts at the local level, engaging with children, parents, families, and community members to create empowered communities to help their own development and make lasting change for the future. This approach relies on a framework of collaborative action from all stakeholders. It includes developing community action plans, building the capacity of local authorities to better support families, and stepping up local and regional advocacy to increase farmer empowerment.</p> <p>In addition, Barry Callebaut believes that enforcing a strong regulatory framework on human rights protection in origin countries should be part of a broader effort to strengthen an enabling environment in cocoa farming on the ground. This approach should go hand in hand with the due diligence legislation in consuming countries, which can be fully effective only if sector-wide traceability is established, to monitor both environmental and human rights protection. The Company also supports awareness-raising and a change in perceptions in the communities themselves. In addition to that, child labor monitoring and remediation activities are implemented together with the International Cocoa Initiative. Also, Barry Callebaut aims to identify and implement new methodologies and ensure the right enabling environment.</p> <p><b>Prospering Farmers (farmer productivity, poverty alleviation and farmer livelihood, farmer access to finance)</b>                      Barry Callebaut is committed to tackling farmer poverty by empowering farmers to earn a better income through access to training, coaching, financing and planting material. The Company works intensively with governments in origin countries and donors to create an enabling environment for sustainable rejuvenation of cocoa farms. Barry Callebaut committed itself to lifting 500,000 farmers out of poverty by 2025. This is measured against the World Bank's USD 1.90/day threshold for extreme poverty. The Company is on a journey of setting up robust farm services, developing most effective R&amp;D to get farmers out of poverty, assessing macroeconomic impacts and providing best in class farmer finance investment products.</p>

Disclosure number	Disclosure title	Answer
103-2	<b>The management approach and its components</b>	<p><b>Thriving Nature (climate change, greenhouse gas emissions, forest restoration, and biodiversity)</b> Barry Callebaut aims to be carbon and forest positive by 2025. The Company measures this primarily by its full organizational carbon footprint – that is, the carbon footprint from farm to customer and number of hectares of forest and cocoa farming land regenerated. Barry Callebaut engages in initiatives to reduce carbon footprint in its factories and transportation. Furthermore, the Company is reducing the carbon footprint of its cocoa and non-cocoa ingredients by developing agroforestry and carbon sequestration projects.</p> <p><b>Sustainable Chocolate</b> Approximately half of the ingredient volumes Barry Callebaut sources consists of cocoa products, and the other half consists of other ingredients – sugar, dairy, palm oil, coconut oil, sweeteners, nuts, lecithin, and vanilla, among other ingredients. Each ingredient Barry Callebaut uses has a complex supply chain that varies depending on the geographic region where it is grown. Each origin subsequently presents its own unique sustainability challenges. To reach our target of 100% sustainable ingredients, we collaborate closely with our suppliers, engage in industry-level working groups and strive to increase customer demand for sustainable products while implementing our sustainable sourcing programs across all ingredients.</p> <p><b>Talent, diversity, employee engagement, and health and safety</b> The Talent Management Process helps employees to focus on – and prepare for – the next step in their career. Barry Callebaut supports employees at every stage of their career with services, programs, and benefits. As a company with operations in developing economies, Barry Callebaut understands the importance of assisting their employees locally, based on their specific needs. In cocoa-growing countries, the Company aims to offer programs which provide a broad range of services, including medical care, housing, and education.</p> <p>At the core of Barry Callebaut’s people strategy is #oneBC. #oneBC was launched successfully in January 2021. It is data-driven, with time-bound, metricated targets stemming from a thorough analysis of the Company’s people data. In addition, Barry Callebaut also formed two new bodies, the D&amp;I Council and the D&amp;I Champions, to support the implementation of the #oneBC strategy. The D&amp;I Council, chaired by the CEO, assists the Executive Committee in implementing the strategy and reviewing progress. The D&amp;I Champions, nominated by the Executive Committee, represent each region and function.</p> <p>To ensure equal pay for equal work within our organization, and to help us stay competitive, we regularly compare our compensation elements with those of other market players. In line with the revised Gender Equality Act in Switzerland designed to progress toward equal pay for equal work, we performed an Equal Pay Analysis across our legal entities in Switzerland which showed a gender pay gap of less than 5%. In addition, we have a number of awards at all levels to value our people, as well as two global awards: With the Annual Chairman’s Award, we honor colleagues from all over the globe for their outstanding work performance and strong social commitment in their local communities. The annual Value Awards recognize managers and their teams who have made a positive impact on the Company in the past fiscal year by living up to our values. These Value Awards are given for each of Barry Callebaut’s five company values: customer focus, passion, entrepreneurship, team spirit, and integrity.</p> <p>Barry Callebaut’s people data for fiscal year 2021/22 shows significant demographic shifts between the four generations in the workforce: many employees of the babyboomer generation retired, Generation Y (born 1981 to 1996, also called Millennials) now represents the largest age group, followed by Generation X (born 1965 to 1980), while Generation Z (born 1997 to 2012) accounted for the largest increase in the number of employees. In 2021, Barry Callebaut set focused targets to achieve more progress in gender balance at senior level overall and in commercial roles in particular, and more diversification in the origin of our talent at senior level. The Company reports the following progress against their baseline:</p> <ul style="list-style-type: none"> <li>– 35% women at Director1 level, up from 28% (goal by 2025: 40%)</li> <li>– 28% women at Director1 level in Sales, up from 13% (goal by 2025: 30%)</li> <li>– 27% local talents at Director1 level in countries of origin and emerging markets, up from 21% (goal by 2025: 50%)</li> </ul>
103-3	<b>Evaluation of the management approach</b>	<p>Barry Callebaut runs a range of projects and activities. Results and progress of these projects are being reviewed on a quarterly basis by the Executive Committee members who provide feedback and guidance. Results feed into improvement of the projects and contribute to continuous learning about how to create the highest possible impact. In addition to the internal Executive Committee guidance and feedback, Barry Callebaut works with a range of external experts, such as research organizations and academia. In 2021/22, Barry Callebaut further enhanced the functionality and size of its Katchilè database system to strengthen its monitoring and evaluation-driven approach to deploying any sustainability activity.</p>



## Economic Performance

Disclosure number	Disclosure title	Answer
201-1	<b>Direct economic value generated and distributed</b>	<p>Direct economic value generated and distributed (EVG&amp;D) in thousands of CHF:  <b>Economic value generated:</b> CHF 8,091,855</p> <p><b>Economic value distributed</b>                      Cost of goods sold: CHF (6,874,688); Marketing and sales expenses: CHF (148,467); General and administration expenses: CHF (434,739); Other expenses/income (net): CHF (-80,475); Net finance expense: CHF (-121,754); Income tax expenses: CHF (70,792)</p> <p>Net profit attributable to:                      Shareholders of Barry Callebaut AG: CHF 360,705                      Non-controlling interest: CHF 235</p> <p><b>Economic value retained:</b> CHF 360,940</p>
201-2	<b>Financial implications and other risks and opportunities due to climate change</b>	<p>The business of Barry Callebaut depends primarily on the availability of key raw materials such as cocoa, sugar, and dairy. Events such as changes in temperatures, poor weather conditions, etc. can negatively impact the availability and price of these raw materials and affect the business (e.g. crop yields). The risk is physical in nature. Deforestation and forest degradation are important drivers of climate change and biodiversity loss – the two major environmental challenges of our time. The main driver of deforestation and forest degradation is the expansion of agricultural land linked to commodities such as soy, palm oil, and cocoa, all three ingredients found in chocolate products. In addition, when looking at cocoa, climate change, poor soil quality, the suboptimal use of agrochemicals, and a lack of natural inputs, such as shade cover and pollinators, are putting even more pressure on cocoa farmers, who are already struggling with declining cocoa yields. To ensure the stability of ecosystems, the entire chocolate industry must be committed to reducing its carbon footprint and achieving a deforestation-free supply chain. That entails, on one hand, mitigating the impact of climate change, preserving ecosystems and restoring natural biodiversity and, on the other hand, empowering communities, helping farmers prosper and increasing the long-term productivity of cocoa in environmentally suitable areas Barry Callebaut engages in activities to support their farmers in adopting climate-friendly practices through farmer services, in replanting projects and awareness-raising activities (see Indicator 203-2).</p>

## Indirect Economic Impact

Disclosure number	Disclosure title	Answer
203-2	<b>Significant indirect economic impacts</b>	<p>Barry Callebaut can only lift cocoa farmers out of poverty if it pursues nothing less than systemic change in cocoa farming. Systemic change means cocoa farming that is prospering and self-sustaining.</p> <p>The first step in achieving systemic change is to understand the specificities and needs in order to enable each cocoa farm in their global supply chain to be self-sustaining. This is why in 2021/22 the Company continued creating farmer data sets that map, amongst other things, the size of a farm, its soil quality, its productivity, as well as the household it has to support. So far, 399,413 cocoa farms of farmers in the supply chain this season were mapped in Barry Callebaut's Katchilè database, and this number will increase to half a million by 2025. This database gives the unprecedented capability to design tailor-made Farm Business Plans for participating cocoa farmers (120,107 farmers benefiting in 2021/22). In addition, the Company needs to understand what self-sustaining cocoa farming looks like in the major cocoa-growing countries.</p> <p>As the Company progresses towards having more than 500,000 farmers in their supply chain lifted out of poverty by 2025, the focus is to continue supporting farmers to modernize agriculture and cultivation methods, increase yields, diversify income and professionalize farming practices. Barry Callebaut focuses on three main components to improve a cocoa farmer's quality yield per hectare: improved planting material, productivity packages, and financial support for third-party labor services. In addition, Barry Callebaut is working alongside customers on several premium paying programs. The Company is also continuously exploring ways of innovating cocoa farming practices that are climate-smart and enhance farm profitability. In 2022, for example, Barry Callebaut established the Farm of the Future in Ecuador to power cocoa farming research and innovation. This research and innovation farm represents a firm commitment to developing sustainable solutions that are impactful beyond the Company's own operations, encompassing the wider cocoa and chocolate industry.</p> <p>Also, the Company distributed almost 3.9 million young cocoa seedlings for replanting and almost 2 million shade trees.</p> <p>Cocoa Horizons, as an impact-driven sustainability program, ensures that activities are focused on relevant areas and implemented efficiently. In 2021/22, the premiums from the purchase of HORIZONS cocoa products generated over CHF 37.4 million in funds. The program reached more than 220,000 farmers. In 2021/22, the Cocoa Horizons program was extended to offer customers an exclusive program that includes an additional premium payment on top of Cocoa Horizons. Thanks to these premiums, in 2021/22, 223,235 farmers were able to take part in Cocoa Horizons programs focusing on improving their productivity and income. In addition, this year the Cocoa Horizons foundation signed new partnerships with external implementers in origin countries, allowing the program to grow further. The Cocoa Horizons program is active in seven origins, ramping up volume, especially in Nigeria and Cameroon, while continuing to grow in Brazil, Indonesia, Ecuador, Ghana, and Côte d'Ivoire.</p> <p>A fully sustainable cocoa and chocolate sector can only be achieved when all supply chain actors are committed to supporting the development of an enabling environment.</p> <p>Without public intervention, company initiatives will progress much slower on making structural impact outside of their direct supply chains. At industry level, implementation of projects to increase farm productivity through farmer training, better access to agricultural inputs, improved planting materials, and credit for investment, should be continued in order to support farmer professionalization.</p> <p>For cocoa-importing countries and regions, such as the EU, there are several complementary actions that are needed to support a sector-wide change: Due diligence and deforestation legislation, which would tackle unsustainable practices and help cocoa farmers achieve a living income, needs to be coupled with partnership cooperation with origin countries, in order to be fully effective. This cooperation should also incorporate funding mechanisms and technical expertise to support the development and implementation of a comprehensive agricultural reform.</p> <p>For this reason, in December 2019, Barry Callebaut partnered with other companies and NGOs to call on the European Union to introduce legislation setting a due diligence obligation on all companies that place cocoa or cocoa products on the EU market. In May 2021, Barry Callebaut together with other food sector companies called for an EU-wide legal framework to halt and reverse EU-driven global deforestation, outlining that the framework has to be ambitious in its efforts to increase global value chain accountability and transparency for at-risk commodities, such as cocoa.</p> <p>Barry Callebaut has also been actively participating in the Cocoa Talks, an EU-led multi-stakeholder dialogue on sustainable cocoa, since its launch in autumn 2020, aiming to deliver concrete recommendations to advance sustainability across the cocoa supply chain through collective action and partnerships. Via this forum, Barry Callebaut contributed to the development of the EU-led Alliance on Sustainable Cocoa and its roadmap. In June 2022, this roadmap, which aims to advance sustainability across the cocoa supply chain through collective action and partnerships, was endorsed by the European Union, Côte d'Ivoire, Ghana, as well as industry associations. In addition, in July 2022, Barry Callebaut, together with other industry players, signed the Côte d'Ivoire-Ghana Cocoa Initiative (CIGCI) Economic Pact, joining forces with the Ivorian and Ghanaian governments to accelerate the transition to a living income for all farmers.</p>

Disclosure number	Disclosure title	Answer
203-2	<b>Significant indirect economic impacts</b>	<p>In July 2019, Cote d'Ivoire and Ghana announced the implementation of a living income differential (LID). The LID was applied to all sales contracts for shipments starting season 2020/21 by the two countries, irrespective of market levels. Barry Callebaut supports the implementation of the LID, which enables the Ivorian and Ghanaian governments to support a minimum cocoa price to their cocoa farmers, and the LID is included for all shipments and local deliveries to Barry Callebaut in both Côte d'Ivoire and Ghana.</p> <p>In 2021/22, 171,710 farmers in Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia, and Ecuador participated in the Farm Services business, which constitute a multi-year model of the potential income a specific farm can generate if managed optimally. In one-to-one consultations, Barry Callebaut Farm Services specialists and the farmer evaluate the farm landscape – soil analysis, age of cocoa trees, presence of alternative crops, and livestock – and categorize the agricultural skills the farmer already possesses. Such a tailored approach is unique and is only made possible by the over 1,600 dedicated people the Group has working on the ground in cocoa-producing countries.</p> <p>A historical approach to supporting cocoa farmers has focused on demonstration plots and farmer field schools. Through the close collaboration with farmers, Barry Callebaut acknowledge that there is not a lack of farming knowledge. The challenges farmers face are related to structural and agricultural issues associated with the cost of production. Therefore, Barry Callebaut has shifted the focus of the Farm Services business from farmer training to more active support of their pre-harvest activities by providing them with external labor teams and subsidized soil inputs. This initiative can be traced to a trial project with one of the Group's largest global customers under the Farm Services business, which demonstrated that increased investment in pre-harvest labor, particularly for tree pruning, as well as higher investment in the right mix and amount of soil inputs, can improve cocoa yields and increase farmer income.</p> <p>In 2021/22, measured against the International Poverty Line threshold of USD 1.90/day, we estimate 214,124 cocoa farmers in the direct supply chain are no longer in poverty. This year, 171,710 farmers in Côte d'Ivoire, Ghana, Cameroon, Brazil, Indonesia, and Ecuador had access to farm services, aimed at improving agricultural methods, increasing yields, diversifying income, and upgrading farming practices.</p>

## Anti-Corruption

Disclosure number	Disclosure title	Answer
205-1	<b>Operations assessed for risks related to corruption</b>	Total number and percentage of Barry Callebaut operations assessed for risks related to corruption was 100%. Significant bribery and corruption risks are mainly present in certain geographies. The risks are defined as follows: (1) Public corruption & bribery – bribes: Risk of public bribery schemes (payments to foreign public officials) done within the Barry Callebaut Group to obtain or retain business or an advantage in the conduct of business; public bribery, if discovered and investigated by authorities, may result in severe reputational harm through negative publicity and significant fines and costs (e.g. due to violation of FCPA or UK Bribery Act); risk primarily present in emerging markets in the areas of import/export, customs, entering new markets/countries and licenses/permits. (2) Public corruption & bribery – facilitation payment: Payment of typically low amounts to foreign officials (e.g. speed money), which are assessed as a lower risk. (3) Private corruption & bribery through kickback schemes, offers, promises and gifts: Risk that employees receive bribes through kickback schemes with various suppliers; risk primarily applicable to purchasing managers.
205-2	<b>Communication and training about anti-corruption policies and procedures</b>	Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to and that have received training on anti-corruption: 9 of 9 (100%, all Europe).  Total number of employees that have received training on anti-corruption: 870 of the white collar employees. 101 in Africa; 251 in Americas; 148 in Asia-Pacific; 370 in Europe. E-learning is renewed every 2 years.  Total number of new employees that have received training on anti-corruption: 1012 of the white collar employees: 109 in Africa; 303 in Americas; 171 in Asia-Pacific; 429 in Europe.  At the moment, Barry Callebaut does not collect information on the business partners that the organization's anti-corruption policies and procedures have been communicated to.
205-3	<b>Confirmed incidents of corruption and actions taken</b>	Barry Callebaut investigated 18 cases of corruption leading to 7 confirmed incidents in the fiscal year 2021/22. There were 3 cases where employees were disciplined or dismissed. There was no public legal case brought against the Company or its employees (insolvency claim). As of August 31, 2022, the number of compliance cases closed = 60. Those that are currently pending = 10.
206-1	<b>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b>	There were no cases of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which Barry Callebaut has been identified as a litigant.

## GRI 300: ENVIRONMENTAL STANDARDS

### Energy

302-1	<b>Energy consumption within the organization</b>	The total gas consumption was 569,922 MWh; total electricity consumption (from non-renewable sources): 256,697 MWh.  Total energy consumption: 1,514,615 MWh. Total energy consumption from renewable sources: 680,308 MWh, representing 45% of Barry Callebaut's consumption. Renewable sources include electricity, solar, biomass, wind, and geothermal origins.  Barry Callebaut follows an intense management of the energy system which is continuously revised, company's sites are on board and committed with regular activities in all the company sites.
302-3	<b>Energy intensity</b>	Energy intensity ratio per tonne of activity is 272 kWh. Energy consumption includes electricity, gas, fuel, steam, and renewable energy. The energy ratio is based on energy consumption within the organization.

### Water

303-1	<b>Water withdrawal by source</b>	Total volume of water withdrawn was 2,519,901 m <sup>3</sup> from municipal water supplies, artesian wells, and other public or private water utilities. In addition, Barry Callebaut continues to work on a new and integrated strategic water management approach. This will allow it to report on water withdrawal per source in the future. Apparent growth in consumption is mainly related to the progressive incorporation of factories to the new management approach.  In addition, Barry Callebaut has the commitment to reduce water consumption, with a 4% reduction year-on-year, and, be environmental water neutral by 2025.
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### Biodiversity

304-3	<b>Habitats protected or restored</b>	Biodiversity is an important element for evaluating Barry Callebaut's progress on becoming forest positive. The commitment to biodiversity is focused on both on-farm (agroforestry) and off-farm (reforestation) activities. Restoration of degraded forests and ecosystem corridors between and near farms aims to bring back the ecosphere of a forest, such as water, soil quality, and native plant species.  In 2021/22, Barry Callebaut mapped 399,413 cocoa farms in its Katchilè database, to understand whether these farmers are located close to protected forest areas and therefore at risk of sourcing cocoa from protected forest areas.
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## Emissions

Disclosure number	Disclosure title	Answer
305-5	<b>Reduction of GHG emissions</b>	<p>The carbon footprint of Barry Callebaut's supply chain from farm to customer was 8.11 million tonnes CO<sub>2e</sub>, which is flat in comparison to our previous reported footprint. This is mainly due to the reduced availability of sustainably sourced raw materials, such as sugar.</p> <p>The Company's CO<sub>2e</sub> intensity per tonne of average products slightly decreased from 3.57 tonnes to 3.52.</p> <p>Optimizing carbon footprint constitutes a mix of minimizing the carbon footprint of Barry Callebaut's factories, the carbon footprint of the energy used for the production of products, as well as the carbon footprint of transport activities and non-cocoa ingredients.</p> <p>In 2021/22, the Group increased its consumption of renewable energy with 29 out of 66 factories sourcing 100% renewable electricity. Barry Callebaut's renewable electricity use versus total electricity consumption in 2021/22 was 69%. Overall, 45% of Barry Callebaut's total energy consumption comes from renewable energy – from the circular use of cocoa shells, solar installations, biogas consumption, and green electricity supply.</p> <p>Barry Callebaut continues to expand the sources of renewable energy with new solar installations. For example, the chocolate factory in Port Klang, Malaysia, switched on a system with more than 4,700 photovoltaic panels in March 2022 that will generate 2,500 MWh/year of clean energy, eliminating emissions of 1,500 tonnes of CO<sub>2e</sub>/year. In May 2022, the factory in Pennsauken, New Jersey (US) went live with a 690 kW rooftop solar array that produces 840 MWh/year, also contributing to reducing carbon emissions. In October 2021, The Barry Callebaut Chocolate Box, the new Global Distribution Center which is also the largest chocolate warehouse in the world, was formally inaugurated in Lokeren, Belgium. The center was designed to deliver against the highest sustainability standards (BREEAM) for a logistical warehouse. This norm guarantees a sustainable approach from the design to the operation of the center. The building is CO<sub>2</sub>-neutral. There are 12,000 m<sup>2</sup> of photovoltaic panels on the roof, and we use a geothermal system to extract heat or cold from the ground. The entire system is fossil-fuel-free, and all the energy that is used in the building, including charging stations, forklifts, and high bay installations, is supplied by on-site renewable energy sources.</p> <p>In order to become forest positive, Barry Callebaut must continue to eliminate deforestation from our supply chain. A critical component for achieving this, is to know the exact location of the farms the Company is sourcing from. In 2021/22, the Company published its deforestation-free protocol describing the processes they are developing to reduce deforestation within their supply chains for cocoa and other ingredients. The traceability of our ingredients is crucial in order to monitor and prevent deforestation. This year, we continued to put a particular focus on monitoring farms at risk of sourcing from protected areas. Currently, we are covering 230,749 farms mapped within 25 kilometers of national parks, game reserves, forest reserves, and classified forests 1 and 2 in Côte d'Ivoire. Combining this data with the other farms mapped, we now have GPS maps for 399,413 farms, covering 79.7% farms in our direct supply chain. As a result, we have established traceability to farm level for the cocoa volumes coming from these mapped farms.</p> <p>Furthermore, Barry Callebaut enabled 76,427 hectares of agroforestry as per Cocoa &amp; Forests Initiative (CFI) requirements. In addition, eliminating deforestation also requires working with sustainability certifications and standards – including Barry Callebaut's own sustainability program Cocoa Horizons – to develop systems that allow for credible proof of the deforestation-free claim. In addition, Barry Callebaut requires its suppliers of all ingredients at risk of causing deforestation to implement equivalent approaches to guarantee that these commodities are free from deforestation.</p>
305-7	<b>Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and other significant air emissions</b>	<p>Barry Callebaut respects legal requirements for emission levels in each country of operation. In 2021/22, the Company has not received significant fines for exceeding the legal limits. At the moment, Barry Callebaut does not track NO<sub>x</sub> and SO<sub>x</sub> emissions in their eco-footprinting tool.</p> <p>Measures of different parameters are followed depending on the equipment, size, and local legislation so a variety of frequencies of control and parameters are tracked, in many cases beyond NO<sub>x</sub> or SO<sub>x</sub>, i.e. dust or smoke with TSP/SPM or PM10.</p>

## Compliance

307-1	<b>Environmental compliance</b>	Barry Callebaut received no significant fines in 2021/22.
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## Supplier Environmental Assessment

Disclosure number	Disclosure title	Answer
308-2	<b>Negative environmental impacts in the supply chain and actions taken</b>	<p>Barry Callebaut identified hotspots of actual and potential negative environmental impacts in its cocoa supply chain. They include GHG emissions due to land use change, usage of dairy products and sugar, transport, production in cocoa factories, and cocoa farming. Other negative environmental impacts can include soil degradation due to deforestation and incorrect usage of fertilizers. A part of the volume of raw materials that the Company sources is at risk of causing deforestation. Barry Callebaut also trains farmers on good agricultural practices (GAPs) to support farmers in adoption practices such as pruning, pest management, harvest and post-harvest practices or maintaining soil fertility.</p> <p>Through the implementation of innovative technologies and in collaboration with academia, startups, and other stakeholders, we are committed to tackling these challenges, reducing our carbon footprint and achieving a deforestation-free supply chain. In 2020, we developed the first satellite-based assessment approach for cocoa-related LUC emissions. Since 2018/19, we have also partnered with the Gold Standard Foundation and SustainCert as the first company to pilot their Value Chain Interventions Guidance and develop a methodology to monitor and certify carbon removals and reductions from value chain interventions (scope 3). Based on this work, we established a portfolio of supply chain interventions such as agroforestry that are now being implemented in major cocoa-growing regions. The resulting carbon benefits can be shared with our customers and suppliers.</p> <p>The traceability of our ingredients is crucial in order to monitor and prevent deforestation. This year, we continued to put a particular focus on monitoring farms at risk of sourcing from protected areas. Currently, we are covering 230,749 farms mapped within 25 kilometers of national parks, game reserves, forest reserves, and classified forests 1 and 2 in Côte d'Ivoire.</p> <p>In addition, we also provide third-party suppliers with solutions to identify the forest areas where preservation and protection activities have to be enhanced. Further, we are pursuing carbon projects that cover various ingredients through collaboration with trusted partners, including scientific institutes, NGOs, technology providers, suppliers, and farmers. In these projects, we aim to translate climate-smart management strategies into practical agronomic advice for farmers, helping them to implement and report carbon reduction measures in our supply chain. We are also aligning our claims generation to the upcoming requirements for SBTi FLAG and developing internal systems that will support our customers in their reporting needs. In 2021/22, we worked on our emission factor governance by collecting emission factors from our ingredient suppliers and assigning each one a quality rating. Specifically for dairy, we developed a carbon tracking tool that enables us to live-monitor our carbon footprint based on our purchases. The use of animal feed additives is widely recognized as an effective means of reducing methane emissions in dairy cattle. We have developed an insetting project with Verra to this end, building on previous work in dairy. Where credits are generated within our supply chain, we will allocate them to our dairy purchases and apply Verra certification towards the reduction of our dairy emissions. In addition, we have also commenced several pilot projects with dairy, sugar cane, sugar beet, palm oil, and coconut suppliers, focusing on soil carbon and crop nutrient management to reduce carbon emissions.</p> <p>In 2021/22, we sourced 73.4% of our ingredients, excluding cocoa, from sustainable sources. Including cocoa, we sourced 50.0% of our ingredients from sustainable sources. Turning sustainability commitments into reality is our goal as a partner to our customers. Growing consumer awareness of sustainability issues has led to growing demand for sustainable and traceable cocoa products in recent years. Demand from our customers for sustainable cocoa has therefore increased as well. This explains the increase in the percentage of cocoa and chocolate products sold containing 100% sustainable cocoa or chocolate to 49.4% compared to 42.6% in prior year.</p>

## GRI 400: SOCIAL DISCLOSURES

### Employment

Disclosure number	Disclosure title	Answer
401-1	<b>New employee hires and employee turnover</b>	<p>In the reporting period, Barry Callebaut hired 2,990 new employees:</p> <ul style="list-style-type: none"> <li>– Split by age: 1,095 employees below 30 years old, 1,553 employees between 30 and 50 years old, 334 employees above 50 years old</li> <li>– Split by gender: 1,001 female and 1,981 male employees, 8 with no gender indication</li> <li>– Split by region: 94 employees in Africa, 1,400 employees in Americas, 409 in Asia-Pacific, 1,087 in Europe</li> </ul> <p>The total turnover of employees was 18%. The turnover of employees by geozone and gender:</p> <ul style="list-style-type: none"> <li>– Africa: 10% female and 7% male</li> <li>– Americas: 28% female and 32% male</li> <li>– Asia-Pacific: 22% female and 17% male</li> <li>– Europe: 13% female and 12% male</li> </ul> <p>The turnover of employees by age and gender:</p> <ul style="list-style-type: none"> <li>– Below 30 years old: 40% female and 43% male</li> <li>– Between 30 and 50 years old: 16% female and 15% male</li> <li>– Above 50 years old: 15% female and 14% male</li> </ul>

### Occupational Health & Safety

403-2	<b>Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</b>	<p>In 2021/22, we focused on further enhancing our practices and standards in line with our corporate policies on Labor, Health &amp; Safety and Environment. We adhere to the Ethical Trading Initiative (ETI) Base Code, local and national legislation, and our customers' expectations and requirements. Our ongoing effort to enhance best practices for our people, the environment, and the communities we operate in resulted in performance improvements during the past year. The total number of Lost Time Accidents and Incidents (LTA) rate, the indicator registering accidents resulting in absence from work, is 0.99 injuries per 100,000 hours, a +4% improvement in comparison to the previous year. Of our sites, 85% are now fully SMETA compliant, 15% of sites conducted a SMETA audit shortly before our fiscal year ended and were in the process of implementing one or more enhancement.</p> <p>At Barry Callebaut, the safety of our people comes first. We are committed to a safe workplace and recognize that we all have a responsibility to protect our safety and wellbeing, and that of our colleagues. We comply with all internal safety measures and will speak up, correct, or report to a manager, when we notice situations when safety is at risk. Underpinning Barry Callebaut's Health &amp; Safety strategy, the Go4Zero Operating System – a zero accident, zero injury and zero harm environment.</p> <p>Barry Callebaut implements Health &amp; Safety training at local, regional, and global level. This is included in the International Onboarding Days (global), at local level (site specific training), and regional training days.</p> <p>Barry Callebaut collects information on the following types of injuries: Fatalities (deadly accident), Lost time accident (an accident whereby the employee is unable to return to work the following day), Restricted Work Case (injury resulting into adjusted work), Medical Treatment Case (injury requiring medical intervention after which normal work conduct is continued) and First Aid Case (light injury only requiring first aid care).</p> <p>In addition to the registration of injuries, Barry Callebaut also records prevention measures: zero harm (detected safety risk that did not result in an injury) and Safety talks (dialogue between employees to improve safety awareness, understanding and behavior).</p> <p>In November 2017, Barry Callebaut updated our Global Health &amp; Safety Policy, covering all SMETA international standards. Our global safety committee, regional and local safety leaders work to have this policy fully deployed at all sites and systematically increase our performance and maturity.</p> <p>A standard process is in place to conduct risk assessment and eliminate hazards and minimize risks. Every injury needs to be investigated and proper corrective actions need to be implemented. Description of the accident, the cause analysis, and corrective actions need to be formalized via a standard report and are subject to management review. Incidents are also shared across sites to avoid similar accidents at other sites.</p>
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### Training and Education

404-2	<b>Programs for upgrading employee skills and transition assistance programs</b>	<p>Barry Callebaut offers a wealth of training programs across the organization to both junior and senior staff. These include technical and on-the-job skills development, as well as quality, health and safety courses. In fiscal year 2021/22, 9,095 employees completed eLearning modules, and 169 managers and other professional associates took part in one of Barry Callebaut's Leadership Academy development programs. In the same fiscal year, three young talents completed their two-year Graduate Program.</p>
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## Diversity and Equal Opportunity

Disclosure number	Disclosure title	Answer
405-1	<b>Diversity of governance bodies and employees</b>	<p>Board of Directors: 8 male members and 2 female members. 0 members under 30 years old, 2 members between 30 and 50 years old and 9 members above 50 years old.</p> <p>Executive Committee: 8 male members and 1 female members. 0 members under 30 years old, 2 members between 30 and 50 years old and 7 members above 50 years old.</p> <p>The Company had 31% female and 69% male employees.</p> <p>12.7% of employees are below 30 years old, 60.65% of employees are between 30 and 50 years old, 26.65% of employees are above 50 years old.</p>

## Child Labor

408-1	<b>Operations and suppliers at significant risk for incidents of child labor</b>	<p>Barry Callebaut expects that some of the suppliers and cocoa farmers pose a risk of child labor. The child labor risk at the Company's own sites is low.</p> <p>With the support of ICI, Barry Callebaut continues to implement monitoring and remediation systems on child labor. This constitutes on the ground household and farm visits by Company staff to survey practices concerning child employment and education in cocoa farming communities. These surveys identify children performing hazardous tasks and estimates of the prevalence of the worst forms of child labor. In 2021/22, Barry Callebaut deployed monitoring and remediation in 80.6% of its farmer groups covering 253,269 farmers in Côte d'Ivoire, Ghana, and Cameroon. In the fiscal year under review, 25,235 cases of child labor were identified and which we are determined to remediate. Of the reported cases in 2018/19, 2019/20, 2020/21, and 2021/22, 41,794 are in the process of being remediated, and 2,844 have been fully remediated. Furthermore, the Company trains and sensitizes farmers on the issues related to child labor. In the year 2021/22, Barry Callebaut trained 100,743 farmers.</p> <p>Furthermore, in order to ensure that there are no worst forms of child labor present, Barry Callebaut has updated its supplier code to incentivize suppliers of non-cocoa ingredients to have systems in place to prevent, monitor, and remediate child labor. In the year 2021/22, 22.6% of cocoa and non-cocoa third-party suppliers have equivalent systems in place.</p> <p>The letters of intent Barry Callebaut signed with the Ivorian and Ghanaian governments on sustainable cocoa farming spell out a commitment to increased cooperation on the eradication of the worst forms of child labor. This includes working together on community-led initiatives to eradicate child labor and support women cocoa farmers, as well as young cocoa farmers.</p> <p>In October 2020, the National Opinion Research Center (NORC) from the University of Chicago, US, funded by the US Department of Labor (USDOL), completed a four-year review of the various interventions carried out by representatives from the cocoa and chocolate industry, the governments of Côte d'Ivoire and Ghana, to reduce the worst forms of child labor. The NORC study reports that there are still 1.56 million children involved in child labor for cocoa cultivation in Côte d'Ivoire and Ghana. In a sub-study conducted by NORC, funded by WCF, a hypothesis of the stabilization of child labor in high production areas is because interventions to address and prevent child labor have been concentrated in high production areas. This suggests that child labor interventions in areas of high cocoa production are showing an positive impact on prevalence of child labor.</p> <p>Additionally, to manage child labor risk at its own operations (factories), of our sites 85% are now fully SMETA-compliant, 15% of sites conducted a SMETA audit shortly before our fiscal year ended and were in the process of implementing one or more enhancements.</p>
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## Forced Labor

Disclosure number	Disclosure title	Answer
409-1	<b>Operations and suppliers at significant risk for incidents of forced or compulsory labor</b>	<p>Barry Callebaut's Code of Conduct expressly prohibits child labor, forced or compulsory labor. We continued to challenge our suppliers in 2021/22 to improve the child labor due diligence components of their standards, and to create roadmaps and targets that will identify and address child labor risks when sourcing raw materials. Suppliers are also asked to sign Barry Callebaut's Supplier Code of Conduct.</p> <p>Our data-driven risk analysis follows the United Nations Guiding Principles on Human Rights (UNGPs), which state that "to prioritize actions to address actual and potential adverse human rights impacts, business enterprises should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable." For other ingredients and regions, we use different approaches that are often based on the Maplecroft Child Labour Index. In addition, we also conducted human rights impact assessments in Ecuador and Indonesia, combining the resulting information with what we already know from the Maplecroft Child Labour Index to determine what actions would best address the human rights and child rights risks for ingredients sourced in these countries.</p> <p>Barry Callebaut Global Labor Policy covers the human rights principles and adheres to the ILO Conventions. In May 2020, Barry Callebaut reviewed and enhanced the Global Labor Policy with more elaborated directions for Responsible recruitment. Barry Callebaut endorses the Employer Pays Principle (EPP) and invested in the improvement of the entire recruitment process in function of respecting the EPP, including commitments from and controls at labor providers in the countries of origin of migrant workers.</p> <p>With the systematic renewal of SMETA audits at all sites, Barry Callebaut obtains independent verification of our adherence to the ILO Conventions in all countries and locations.</p>

## Security Practices

410-1	<b>Security practices</b>	<p>Barry Callebaut does not employ own security personnel. Security providers are subject to commit to our Supplier Code. The Company conducts the necessary controls to ensure that these companies also respect the human right principles in line with the ILO Conventions.</p>
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## Human Rights Assessment

412-1	<b>Operations that have been subject to human rights reviews or impact assessments</b>	<p>Human rights assessments are fully embedded in the SMETA audit protocol, and all our sites need to initiate systematic renewal audits at least every three years and this by an independent and qualified auditor, in line with the market standards.</p> <p>In addition, mandatory human rights training for all sourcing and sustainability employees was established and launched in the past fiscal year. This was an action point raised by Barry Callebaut's internal Human Rights Committee. This cross-functional committee has formal authority to oversee the coordinated integration of human rights policies, procedures, and actions across the business. On an annual basis, Barry Callebaut reviews and updates its Global Human Rights Policy.</p> <p>All our sites have conducted initial Smeta audits and in this fiscal year 85% are now fully SMETA-compliant, with 15% of sites conducting a SMETA audit shortly before our fiscal year ended and were in the process of implementing one or more enhancements.</p>
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## Local Communities

413-1	<b>Operations with local community engagement, impact assessments, and development programs</b>	<p>We work with, and implement, various sustainable cocoa programs to improve cocoa farmer livelihoods and farming practices. Among them is Cocoa Horizons, our preferred vehicle to drive impact and deliver on our Forever Chocolate ambition. Premiums from the purchase of HORIZONS cocoa products generated CHF 37.4 million in funds, an increase of over 30% compared to prior year. Thanks to these premiums, 223,235 farmers were able to take part in Cocoa Horizons programs focusing on improving their productivity and income as well as development activities covering the themes of child labor, education, and women empowerment. This year, the Cocoa Horizons foundation signed new partnerships with external implementers in origin countries, allowing us to grow the program further. The Cocoa Horizons program is active in seven origins, ramping up volume, especially in Nigeria and Cameroon, while continuing to grow in Brazil, Indonesia, Ecuador, Ghana, and Côte d'Ivoire. In addition, we also work with community-based partners, and also projects to create employment opportunities for local communities. For more information about our projects and partnerships, please view out latest Forever Chocolate Progress Report 2021/22: <a href="https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting">https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting</a></p>
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## Supplier Social Assessment

Disclosure number	Disclosure title	Answer
414-2	<b>Negative social impacts in the supply chain and actions taken</b>	<p>Barry Callebaut has identified hotspots of actual and potential negative social impacts in their cocoa supply chain. Most importantly, they include low average income of cocoa farmers, child labor, and forced labor.</p> <p>Traceability to farm level – knowing where the cocoa we source is grown – plays a crucial role in addressing some of the structural sustainability issues in the cocoa supply chain. Accurate insights into cocoa sourcing, gathered through polygon mapping and geolocation based on satellite images, are imperative for us in our efforts to eliminate deforestation. Barry Callebaut has already achieved high levels of traceability in its direct supply chain. We have been publicly disclosing the geolocation of our direct suppliers in Côte d'Ivoire, Ghana, and Cameroon since 2018/19 and regularly update the map, most recently in February 2022. In 2021/22, a total of 230,749 farms located within 25 kilometers of a protected forest area were mapped and monitored. This led to full traceability for beans originating from these farms. In order to achieve traceability in our indirect supply chain, developing a government-mandated, national traceability system is essential. In this respect, Barry Callebaut supported a cocoa and chocolate industry statement affirming a willingness to consolidate and share industry-gathered data with Ghanaian and Ivorian authorities. The data will be aggregated into a single database owned and driven by producing countries, with the aim of achieving robust national traceability systems. In addition, we are also in support of Ivorian and Ghanaian efforts to set up a cocoa farmer identification registry. In 2021/22, we partnered with the CCC (Le Conseil du Café-Cacao) on a traceability pilot project. This pilot was established to test data sharing between government agencies and industry to feed the learnings into the development of a consolidated national farm database, currently being built by the CCC. We are also actively working on transferring our traceability know-how from our direct to our indirect supply chain. In 2021/22, we conducted a pilot program with 3 key indirect suppliers in Côte d'Ivoire, training them on precise and timely data collection</p> <p>Currently, the Company uses sustainability certification as its primary means of managing negative social impacts in its supply chain. In order to ensure that there are no worst forms of child labor present in any of the other ingredients Barry Callebaut is sourcing for its products, the Group has updated its supplier code to incentivize suppliers of non-cocoa ingredients to have systems in place to prevent, monitor and remediate child labor. Furthermore, Barry Callebaut has assessed most Cocoa Horizons communities for the risk of child labor.</p> <p>Of all the raw materials Barry Callebaut sources, 50.0% are sustainably sourced. This percentage includes, for cocoa, Barry Callebaut's own Cocoa Horizons program, together with external certifications such as Rainforest Alliance, Fairtrade, or Organic. Barry Callebaut sourced 73.4% of its non-cocoa agricultural raw materials sustainably.</p>
415-1	<b>Public policy</b>	To the best of its knowledge, Barry Callebaut does not make any financial and in-kind political contributions directly and indirectly.
419-1	<b>Socioeconomic compliance</b>	Barry Callebaut has not identified significant fines or non-monetary sanctions for non-compliance with laws in the social and economic area in the fiscal year 2021/22.