

Sustainable Sourcing Policy for Soy

Introduction

Due to sharp increase in demand, global soy production area has been greatly expanded. This expansion exacerbated related sustainability challenges, such as land clearance, degradation of ecologically sensitive areas and poor labor conditions. We are concerned about the environmental and social impacts of soy production and expect all actors in our supply chain to share this concern.

Scope

This Policy applies to all suppliers of soy products in our supply chain. This includes soy oil and soy lecithin used for chocolate production, as well as soy used for feed in our dairy supply chain.

Sustainable Soy Principles

The Barry Callebaut Supplier Code lays out our minimum requirements and expectations towards all our Suppliers. Adding on to or specifying the requirements from the Supplier Code, below we highlight some of the main principles which in our view are the foundation to creating a more sustainable soy sector:

- Stopping native vegetation clearance for soy production and the degradation of ecologically sensitive areas, as defined through the application of the High Conservation Value (HCV) and High Carbon Stock (HCS) approach.
- Protecting biodiversity and preserving natural resources through appropriate land use planning.
- Mitigating repercussions resulting from monocultures, such as soil erosion and nutrient depletion and optimizing pesticide use.
- Complying, where applicable, with the criteria of the Brazil Soy Moratorium as well as the Cerrado Manifesto.

Commitment

In order to meet our commitment of 100% certified or verified ingredients in all of our products and traceable to farm level by 2030, we require all suppliers to work with their supply chains towards the stated principles and to regularly show significant progress. This will be evaluated using accepted industry standards and certification schemes, namely

- Proterra (preferred)
- RTRS
- Donausoja
- ISCC Plus with add-ons “environmental management and biodiversity” and “classified chemicals”
- Sustainable Agriculture Initiative (SAI), minimum silver level

While recognizing that standards are evolving and that we cannot expect all of our suppliers to comply today, we are strongly committed to only work with suppliers who can demonstrate compliance to the above stated standards and principles by 2030.