

Barry Callebaut Supplier Code

Update: April 2024

Limitations and Disclaimers: This policy is a general company guideline and management reserves the right to apply different terms, as determined at management's sole discretion. This policy can be changed at any time, with or without notice by the company. Nothing in this policy shall apply to the extent it would be inconsistent with any applicable law.

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1. Introduction

As the world's leading manufacturer of cocoa and chocolate products with production facilities and operations in more than 30 countries, we recognize that our business has an influence on the livelihoods of many people around the world. We believe we have a responsibility to all our stakeholders – farmers, employees, shareholders, customers, consumers, suppliers, and the communities where we operate – that goes beyond making a profit. Barry Callebaut sources its ingredients from countries and regions across the world.

Committed to providing our customers with premier experience, the reliability, quality and safety of our products and services is paramount. We cannot compromise on the legitimate expectations and requirements of our customers and business partners and we strive to live up to the highest standards on a continuous basis.

In 2016, we launched Forever Chocolate, our plan to make sustainable chocolate the norm by 2025. Our approach was unique in the cocoa and chocolate industry, in terms of scope and ambition. From the start, our Forever Chocolate targets were dynamic by design, because the understanding of what is a sustainable chocolate supply chain is constantly growing. Our process is one of piloting, assessing, adapting, rolling out at scale and continuous improvement. We do this based on learnings from data analysis, ever-evolving expert insights and the cultivation of an enabling policy environment. In 2023, we took stock of the impact we have had since 2016 and added fresh ambition to our Forever Chocolate Plan. For this, we have sharpened our existing Forever Chocolate targets for 2025 and added additional targets, extending our scope and impact beyond 2025.

We understand the invaluable contribution our suppliers make to our value chain. We invite you, our suppliers, to embrace our vision and align with our expectations to uphold our high standards for product safety, quality, sustainability, and ethical business practices.

2. Scope

This Supplier Code applies to all suppliers and their employees and sub-contractors providing products, materials, expertise and related services to any entity of the Barry Callebaut Group. It sets out the essential minimum requirements expected from each supplier and flanks their commitments under applicable laws, regulations and contractual arrangements.

In addition to the requirements stipulated in this document, we have defined

category-specific policies¹ which detail provisions specific to certain ingredients or sectors that we require suppliers to comply with.

3. ESG Due diligence

Barry Callebaut applies an overarching human rights and environmental due diligence framework modeled after the OECD Due Diligence Guidance for Responsible Business Conduct². Therefore, we expect our suppliers to set up a system to assess and address their ESG impacts covering prevention, mitigation and remediation measures, based on the OECD six steps approach to due diligence process.

4. Safeguarding

Barry Callebaut is committed to ensuring human rights safeguarding approach across its operations and supply chains and expects its employees, suppliers, implementing partners, and contractors to share that commitment. Barry Callebaut expects its partners and suppliers to act in accordance with professional and appropriate behavior, in accordance with international and national safeguarding standards, in their work with people in the communities where they source from. Barry Callebaut expects suppliers to raise any situation of which they are aware that violates the Supplier Code and support those seeking an effective resolution.

Barry Callebaut recognizes its duty of care to everyone engaged in our work or in the communities in which we operate from intentional or inadvertent harm caused by our staff, activities, businesses, and programs. Barry Callebaut is therefore committed to ensuring a child protection and safeguarding approach across its operations and supply chains, and expect our employees, suppliers, implementing partners, and contractors to share that commitment, to respect international and local laws and regulations related to human rights, and ensure they behave and act in accordance with international and national safeguarding standards and our codes and policies. Barry Callebaut expects suppliers to raise their concerns if they become aware of or suspect wrongful acts in violation of the Supplier Code and support those seeking an effective resolution.

¹<https://www.barry-callebaut.com/en/group/forever-chocolate/our-sustainable-raw-materials>

²<https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

5. Quality & product safety

The supplier ensures that all products, materials and services supplied to Barry Callebaut meet the agreed requirements and specifications and are compliant with all applicable laws and regulations.

The supplier will immediately inform Barry Callebaut if it becomes aware of any facts or suspicions that may indicate a regulatory, quality, safety or labeling problem affecting the supplied products or Barry Callebaut's products.

6. Environmental requirements

6.1. Environmental impact

To ensure the stability of ecosystems Barry Callebaut is committed to reducing its carbon footprint and achieving a forest positive supply chain. This means our goal is to go beyond sourcing activities and deforestation-free supply chains and contribute to long-term and large-scale forest conservation. Further, we are dedicated to running all our operations with transparency and integrity, including reporting on our environmental, social and governance (ESG) management and risks.

We expect all our suppliers to adhere to all legal environmental compliances, to conduct their business with respect for the environment and thus, to also comply with the above elements of our Global Environmental Policy. Suppliers are expected to set up an effective Environmental Management System (EMS), conduct risk assessment, monitor environmental performance and drive continuous improvement techniques to prevent and minimize their impact on the environment.

6.2. Emissions

Barry Callebaut expects its suppliers to reduce their greenhouse gas emissions and align with recognized international strategies to measure, reduce and report the companies' emissions in line with the emissions reduction trajectory of the Paris Agreement³ and the GHG Protocol Corporate Accounting and Reporting Standard⁴. Upon request, suppliers shall report to Barry Callebaut the GHG footprint of the products or services provided to Barry Callebaut.

³ <https://www.un.org/en/climatechange/paris-agreement>

⁴ <https://ghgprotocol.org/corporate-standard>

6.3. Deforestation and biodiversity

Barry Callebaut has committed to being forest⁵ positive by 2025⁶. This means that by 2025, we aim to source commodities and products that were produced on land that has not been subject to deforestation after December 31, 2020 or earlier sectorial cut-off dates when they exist*, and that have been produced in agreement with all relevant applicable regulations.

Given our commitment, we expect all suppliers to ensure that their operations do not directly contribute to or are actively involved in any form of deforestation or loss of biodiversity. Suppliers will conduct due diligence and assure that all their products meet our forest positive requirements and comply with all relevant applicable international, national, federal, state or local laws and regulations.

6.4. Respect for the rights of indigenous and local populations

All suppliers respect the rights of indigenous communities and the local populations in the places where they operate as well as in their supply chains. Suppliers apply the UN principle of free, prior and informed consent (FPIC)⁷.

7. Social requirements

7.1. Compliance with international labor standards

The Supplier respects and complies with international labor standards as defined by core, international human rights conventions, policies and procedures, including the principles set forth in the Universal Declaration of Human Rights of the International Labor Organization (ILO)⁸ and the UN Guiding Principles on Business and Human Rights⁹.

7.2. Freely chosen employment

All employment provided by a supplier must be freely chosen. Forced, bonded, indentured labor and any other form of slavery or human trafficking are

⁵ We refer to the UN Food and Agriculture Organisation (FAO) definition for forests:
<https://www.fao.org/3/i8661en/i8661en.pdf>

⁶

<https://www.barry-callebaut.com/en/group/forever-chocolate/forever-chocolate-strategy/thats-what-forever-chocolate-all-about#Thriving%20Nature>

* 2015 No Peat No Deforestation No Exploitation for Palm ; 2008 Amazon Soy Moratorium

⁷<https://www.fao.org/indigenous-peoples/our-pillars/fpic/en/#:~:text=FPIC%20allows%20Indigenous%20Peoples%20to,monitoring%2C%20and%20evaluation%20of%20projects.>

⁸https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/normativeinstrument/wcms_716594.pdf

⁹ https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

prohibited. This includes an assurance from the supplier that no monetary deposits are made or legal documents such as original identification documents are collected from employees throughout the hiring process and that the supplier shall abstain from any other activity that creates involuntary dependency. The supplier furthermore ensures that the workers' freedom of movement is not restricted in any way and that workers are free to leave employer premises. Involuntary prison labor is prohibited. All work will be voluntary, and workers must be free to terminate their employment upon giving reasonable notice. The supplier conducts adequate Due Diligence processes, modeled after the OECD Due Diligence Guidance for Responsible Business Conduct (see section 2).

7.3. Risk of child labor and protection of young workers

The term "child labor" refers to work that is mentally, physically, socially, or morally dangerous and harmful to children, and interferes with their schooling and deprives children of their childhood. The supplier does not recruit or use child labor and respects and realizes the principles of ILO Convention No. 138, on the minimum age for admission to employment and work, and ILO Convention No. 182, on the worst forms of child labor.

When employing workers below the age of 18, the supplier must demonstrate that the employment of young workers does not expose them to undue physical risks that can harm their physical, mental or emotional development. The supplier is required to implement management systems to monitor and address the risk of child labor in its supply chains. When cases of child labor are identified, the supplier shall take the necessary remediation action. The supplier shall immediately remove the child from the situation causing harm, ensuring that such measures do not worsen the wellbeing of the affected child and its family. Additionally, the supplier is expected to engage with local governments, NGOs and other stakeholders in order to address the underlying issues of child labor prevalence.

7.4. Freedom of association

The supplier respects the legal rights of employees, as applicable, to join or to refrain from joining worker organizations of their choice, including trade unions, and to bargain collectively.

7.5. Legal and fair compensation

The supplier operates in full compliance with applicable laws and regulations regarding wages, work hours, benefits and binding agreements, including overtime work, overtime premiums and other pay arrangements. The supplier

compensates employees at least in accordance with the industry and local labor market. Deductions from wages as a disciplinary measure shall not be permitted. Furthermore, the supplier will provide all workers with written information in a language understood by the worker about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

7.6. Prevention of excessive working hours

The supplier complies with applicable laws with respect to the number of working hours per day and the number of days worked in a week. All overtime must be voluntary.

7.7. Risk discrimination

The supplier will not discriminate based on a person's race, gender, age, nationality, marital status, ethnic origin, religion, sexual orientation, membership in trade unions or other worker organizations or political affiliation. The supplier will hire, compensate, promote, discipline, and provide other benefits or conditions of employment based on an individual's performance and ability to do the job.

7.8. Respect and dignity

The supplier treats all employees with respect and will not engage in or support the use of physical punishment, threats of violence, verbal, physical, mental, sexual or any other form of abuse or harassment.

7.9. Safe and healthy working conditions

The supplier provides employees with a safe and healthy workplace in compliance with all applicable laws and regulations. Adequate steps are taken to prevent accidents and injury to health in the course of work, by minimizing the causes of hazards inherent in the work environment. The supplier protects employees from exposure to hazardous materials and provides personal protective equipment to workers where required free of charge. All facilities provided for use by employees, including dormitories, are clean and safe. In addition, the supplier provides employees with access to potable water and clean sanitation facilities.

The supplier also ensures emergency preparedness, including adequate provision, signage and communication of emergency exits and procedures. Employees are regularly trained to ensure they are adequately protected.

8. Governance

8.1. Compliance with laws and regulations

The supplier strictly complies at all times with all applicable laws and regulations in force and effect at their legal seat, the place of performance and the place of delivery and final destination of the products and services. Furthermore, the supplier shall impose equivalent compliance obligations on all of its sub-suppliers and subcontractors engaged in the execution of work pertaining to their services.

8.2. Prevention of bribery and corruption

The supplier conducts its businesses in compliance with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption and anti-money laundering, including but not limited to the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010.

The supplier shall not engage in bribery or other corrupt or unlawful practices to advance the supplier's or Barry Callebaut's business interests or to influence the acts or decisions of relevant decision-makers, including government officials as well as private individuals. This includes any advantage offered to Barry Callebaut employees in any form (kickbacks or other) in return for delivering services for Barry Callebaut. The supplier must take all necessary and reasonable steps to ensure that its supply chain is free from any form of bribery or corruption.

The supplier shall establish, maintain, and enforce its own policies and procedures, including adequate procedures under the aforementioned laws, to ensure compliance with such laws.

8.3. Fair competition

The supplier conducts its businesses in compliance with applicable competition and anti-trust laws. The supplier shall not engage in any unlawful practices, including but not limited to price fixing, market sharing and market splitting, sharing of confidential and commercially sensitive information or agreeing to limit sales or outputs for the purpose of restricting or preventing fair competition and a free market, notably when acting in concert with third party competitors.

8.4. Confidentiality

The supplier shall keep strictly confidential any commercial, operational or technical information in respect of the business it conducts with Barry Callebaut and, without the prior written consent of Barry Callebaut, it shall not disclose to any persons, or grant access to any person, any confidential information for any other purpose than as required for the successful performance of the supplier's contractual obligations.

8.5. Data privacy

The supplier shall respect data protection regulations and ensure secure and adequate data processing. Private information, regarding clients and employees, for example, is processed and stored in accordance with data privacy regulations.

8.6. Adherence to sanctions

The supplier conducts its business, including sourcing of materials, in a manner that will not result in the supplier or Barry Callebaut being in breach of any applicable trade sanctions or embargoes.

8.7. Preventing conflicts of interest

The supplier shall avoid any situations, such as offering gifts, hospitality, entertainment or other favors where an individual's private interests may conflict with the interests of the supplier and/or Barry Callebaut or where such situations might impair fair and objective judgment.

8.8. Intellectual property

The supplier shall safeguard and respect Barry Callebaut's intellectual property rights. Any licensed intellectual property rights shall only be used for the intended and designated purposes.

9. Implementation of the Supplier Code

9.1. Supply Chain

The supplier actively communicates the provisions in this Code to its own suppliers and is expected to initiate, maintain and verify a process of continuous improvement towards sustainable practices in the entire upstream supply chain, in line with the requirements and principles set forth in this document.

The supplier has formulated mandatory sustainability requirements for its suppliers and subcontractors in a comprehensive Supplier Code.

9.2. Traceability

We believe traceability is an important cornerstone for ensuring transparency and accountability, accurately tracking and monitoring the product origins, safeguarding human rights and reducing environmental impacts. We therefore expect the supplier to keep adequate records, and on request, disclose the location of facilities, sites and known origin of materials to enable traceability.

9.3. Management system and risk assessment

In order to ensure compliance with all the topics of the Supplier Code, the supplier:

- formulates policies
- defines and assigns roles and responsibilities
- implements procedures
- communicates on these topics to employees and relevant third parties
- provides sufficient training to its employees and subcontractors
- monitors compliance with all policies and procedures
- implements corrective action
- reports on its progress on these topics

The supplier will manage and meet all requirements mentioned above and in sections 3 to 6 in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and OECD-FAO Guidance for Responsible Agricultural Supply Chains.

9.4. Reporting concerns

The supplier provides a confidential whistleblower hotline that is easily accessible to all employees for safe, anonymous reporting of any unlawful or unethical behavior without fear of retaliation.

Additionally, the supplier shall implement a grievance mechanism, available to all workers within its supply chain, including subcontractors, to address any concerns or disputes that arise in relation to workplace conditions or treatment. This mechanism must be transparent, equitable, and consistent in application to ensure that all grievances are handled in a manner that respects the rights of all involved parties and leads to a fair resolution.

9.5. Notification on breaches of the Supplier Code

The supplier is encouraged to respond if it has fair reason to believe that a Barry Callebaut employee or one of its agents or sub-contractors is engaging in wrongful acts including but not limited to financial irregularities or inaccuracies, fraud, anti-competitive or corrupt practices or violations of significant human rights, health, safety or environmental issues. Such acts should be reported to Barry Callebaut at the email address: compliance@barry-callebaut.com

9.6. Monitoring and remediation

We expect the supplier to take all necessary steps to inform its employees, agents and sub-contractors of the principles set forth in the Supplier Code and to take appropriate action to ensure understanding of and compliance with its principles. Barry Callebaut expects the supplier to maintain necessary documentation to demonstrate compliance with the principles stipulated in this Supplier Code and it reserves the right to audit the supplier's compliance with these principles.

Generally, suppliers will be asked to undergo a SMETA audit and share it with Barry Callebaut through the Sedex platform. If any incidents of non-compliance are detected, the supplier will be asked to take corrective action. In the event that the supplier fails to do so in a timely manner, Barry Callebaut may terminate its business relationship with the supplier.

10. Revisions to the Supplier Code of Conduct

The Barry Callebaut Supplier Code will be reviewed on a regular basis and updated as necessary in order to reflect and support its journey towards the Forever Chocolate commitments. The latest version of the Supplier Code is available on the Barry Callebaut corporate website, www.barry-callebaut.com.

Last updated: April 2024

References

The following references are not intended to create additional obligations beyond the principles laid forth in the Barry Callebaut Supplier Code. However, we encourage suppliers to follow the references given below.

[Barry Callebaut Code of Conduct](#)

[Barry Callebaut Human Rights Statement](#)

[Barry Callebaut Deforestation free Protocol](#)

International labor standards

Freely chosen employment

ILO Conventions 29 (Forced Labour) and 105 (Abolition of Forced Labour)
Employer Pays Principle, as laid out in the Dhaka Principles for Migration with Dignity

Risk of child labor

ILO Conventions 138 (Minimum Age) and 182 (Worst Forms of Child Labor)

Freedom of association

ILO Conventions 87 (Freedom of Association and Protection of the Right to Organise) and 98 (Right to Organise and Collective Bargaining)

Legal and fair compensation

ILO Conventions 131 (Minimum Wage Fixing)

Prevention of excessive working hours

ILO Conventions 1 (Hours of Work) and 14 (Weekly Rest)

Risk of discrimination

ILO Conventions 100 (Equal Remuneration) and 111 (Discrimination (Employment and Occupation))

Safe and healthy working conditions

ILO Convention 155 (Occupational Safety and Health)

Environmental management

ISO 14001 Environmental Management Systems standard

Supplier Declaration

We the undersigned hereby confirm that:

- We have received and taken due note of the Barry Callebaut Supplier Code, status as of April 2024
- We are responsible for being aware of all relevant laws and regulations of the country or countries in which our company operates
- We will inform Barry Callebaut in case of conflict between provisions of the Supplier Code of Conduct and any applicable laws or regulations in our countries of operation
- We will observe and conform to the Supplier Code, incl. its annexes
- We will communicate as appropriate to our employees, agents and subcontractors the terms of the Supplier Code and ensure that they comply with the provisions therein
- We will provide at Barry Callebaut's request relevant documentation supporting our compliance with the Supplier Code provisions

The requirements and expectations set out herein are in addition to, and not in lieu, of any other requirements, standards, regulations, manuals and expectations applicable to the relevant Supplier. They are in no way intended to replace, limit or supersede any contractual arrangements between the Supplier and the Barry Callebaut Group, but are by their nature intended to supplement any such contractual arrangements.

Please sign the document here for agreement:

For Supplier :

Company address :

Sign here :