



**ANNUAL SOCIAL
AND ENVIRONMENTAL
IMPACT REPORT
2023/24**

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Letter to Stakeholders

- **Setting a new benchmark for supply chain transparency by prioritizing a rigorous, organization-wide approach to meet the EU Deforestation Regulation (EUDR)**
- **Significant increase in farm mapping to reach almost 670,000 plots, enabling farm-level traceability**
- **Publication of our Net Zero Roadmap to support the Paris Climate Agreement's goal of limiting global warming to 1.5 degrees Celsius**
- **Significant Scope 3 emissions removals through our scaled-up agroforestry approach and establishment of over 33,700 new hectares of agroforestry**
- **Expansion of paid labor groups by nearly +126%, supporting farmers with pre-harvest interventions across more than 44,000 hectares of cocoa farms**

Dear Valued Stakeholder,

Fiscal year 2023/24 presented a challenging landscape for advancing our impact in sustainability, with cocoa prices reaching record levels due to a global shortage influenced by weather and climate factors. However, we remained resolute in our commitment to making sustainable and traceable chocolate the norm.

Best-in-class sustainability is a core promise of our strategic investment program, BC Next Level, and is essential to delivering on our four growth priorities. This year, we strengthened collaborations with sector stakeholders, leveraging on-the-ground expertise to meet customer needs and align with evolving consumer expectations, while promoting ethical practices and reducing environmental impact.

At the core of our sustainability efforts is end-to-end traceability. In fiscal year 2023/24, we made significant progress in building a sustainable and traceable cocoa and chocolate supply chain. The key focus has been implementing a rigorous, organization-wide approach to prepare for the EU Deforestation Regulation (EUDR). This has strengthened our traceability efforts and set a new benchmark for supply chain transparency. We remain committed to be compliant with the EUDR requirements by the new application date to be set out. As such, in 2023/24, our mapping initiatives expanded to cover 669,174 cocoa farm plots, enabling farm-level traceability for cocoa sourced from these farms.

Amid this year's challenging volatility in cocoa bean prices, we increased the proportion of products containing 100% sustainable cocoa or chocolate to 55.5%. This achievement reflects the commitment of our customers and suppliers to a sustainable cocoa and chocolate supply chain, as well as Barry Callebaut's drive to deliver the most sustainable, high-value solutions.



In addition, we published our Net Zero Roadmap, describing how we will support the goal of the Paris Climate Agreement to cap global warming at 1.5 degrees Celsius. We also achieved significant Scope 3 emissions removals through our scaled-up agroforestry approach, with significant carbon removals (-388,433 tCO₂e) and established 33,795 new hectares of agroforestry.

Our paid labor groups program, supported by our customers, expanded by 125.8%, covering nearly 44,000 hectares. Along with boosting cocoa yields, this work has also deepened our engagement with the farmers we source from. As a result, despite bean shortages, the volume of cocoa beans supplied by these farmer groups has remained stable. Furthermore, we commenced partnerships with three international child rights organizations to tackle the socio-economic factors driving child labor and impacting child rights in Côte d'Ivoire, Ghana, and Nigeria. Through these collaborations, we are advancing a new community-based approach to create long-term, community-driven ownership.

Building on our vision first set in Ecuador in 2022, we launched the Future Farming Initiative (FFI) this year—an innovative strategy to scale sustainable, high-tech cocoa farming, beginning with a 5,000-hectare pilot in Bahia, Brazil. Through this project, we aim to set new benchmarks in the industry while sharing our insights and expertise from FFI with partners across all our sourcing regions, supporting their ongoing efforts toward more productive and sustainable cocoa farming.

This year has been an extraordinarily heavy lift, made possible by the expertise, dedication, and hard work of our Barry Callebaut colleagues, sustainability partners, customers, and the invaluable encouragement of our families and friends. Their commitment, passion, and unwavering support have been the foundation of our success.

At the heart of this report, you will find our familiar Forever Chocolate report, enhanced with a more granular explanation of our due diligence processes, aiming to provide a comprehensive picture of our efforts to make sustainable and traceable chocolate the norm.

Together with our customers, we are building a sustainable future of innovation and lasting impact. Do not hesitate to get in touch with Barry Callebaut if you have suggestions or comments on our efforts.



Peter Feld

Chief Executive Officer



Overview

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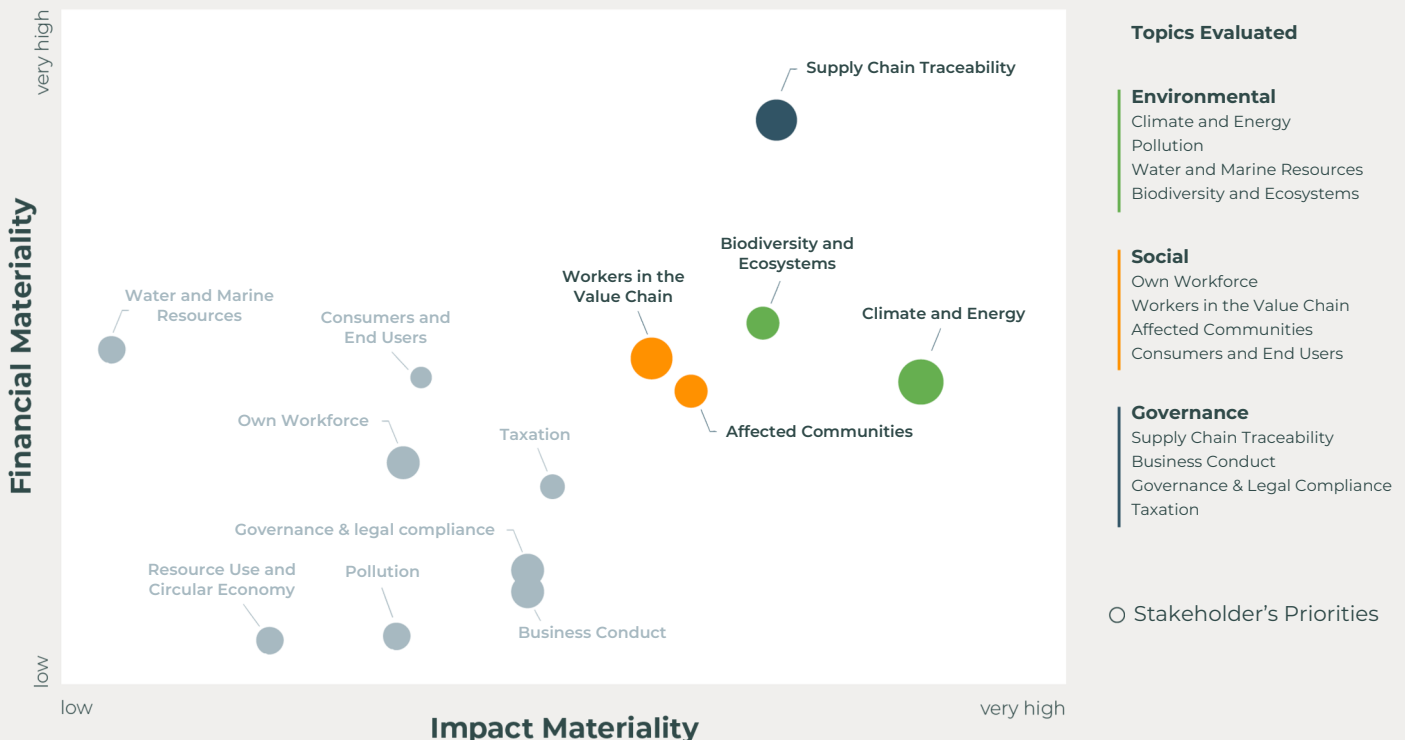


Our approach to materiality

In October 2023, Barry Callebaut published its most recent comprehensive double materiality assessment. Through a materiality assessment, a company identifies, assesses, and prioritizes, based on extensive external stakeholder consultation, the Environmental, Social and Governance (ESG) topics with the highest relevance for a company's operations. The concept of "double materiality" urges a company to not only consider the impacts they impose on humans and nature ("impact materiality") but also the risks and opportunities related to ESG topics that might affect their financial situation ("financial materiality"). Beyond adhering to the GRI standards (2021), our materiality analysis also considered the EU's Corporate Sustainability Reporting Directive (CSRD) framework. The framework of ESG topics, based on CSRD topics, served as the basis for broad stakeholder engagement, through surveys and interviews, including cocoa farmers, public interest groups, suppliers, customers, employees and investors, resulting in a shortlist of priority topics. Several key aspects were underscored in this shortlist, including the importance of climate change adaptation and resilience of cocoa farms, as well as the importance of reinforcing alliances with on-the-ground stakeholders to, among other things, ensure traceability to farm-level.

Double materiality also includes the benchmarking of the list of priority ESG topics against the impact each of them has, or can have, on the financial performance of a company and its business model. For this, our Enterprise Risk Management specialists worked alongside our ESG task force to identify the financial and business risks tied to the shortlisted ESG topics. In this process, the entire value chain was analyzed and a time horizon for actions up to 2030 was adopted. Overall, our 2023 double materiality assessment reconfirmed our commitment to the Forever Chocolate pillars: Prospering Farmers, Human Rights, Thriving Nature, and Sustainable Ingredients. Within these pillars, there are five standout topics considered to be material: Supply Chain Traceability, Climate and Energy, Biodiversity and Ecosystems, Workers in the Value Chain, and Affected Communities. The material topics were approved at the Board of Directors' meeting in April, 2023. For the full insight into our double materiality assessment, please see our publication, [Barry Callebaut's approach to Double Materiality](#).

Materiality Matrix



The results of our materiality assessment are mapped onto a Materiality Matrix. In this matrix, impact materiality forms the x-axis, while financial materiality forms the y-axis. To visually represent the results of the stakeholder survey on the matrix, we used bubble sizes; the larger the bubble, the higher the assessment from the stakeholder survey and interviews.

Risk Overview

Enterprise Risk Management

The Group operates in the food industry and faces a wide range of uncertain opportunities and threats (risks) that could impact its strategic objectives. To manage these risks effectively, the Group has implemented an Enterprise Risk Management (ERM) framework designed to ensure that the effects of uncertainty on objectives are thoroughly evaluated throughout the organization and integrated into critical decision-making processes. The ERM framework fosters the adoption of tailored risk management practices that are fully integrated into the Group's business processes. Risk considerations are seamlessly incorporated into strategic planning and daily operations, thereby avoiding any isolation from other business activities. In addition to the implementation of specific embedded risk management practices, the Group employs a comprehensive ERM process. This structured approach systematically identifies, analyzes, aggregates and evaluates all types of risks, encompassing strategic, external, operational, financial, or compliance related risks, including the integration of ESG related risks. As a result, a comprehensive view of the Group's risk landscape is established, ensuring clear accountabilities, evaluations, and prioritization of the Group's key risks in alignment with the overall business strategy.

This holistic approach to risk management helps the Group navigate uncertainties and seize opportunities that align with its resilience objectives by:

- Raising awareness among key internal stakeholders about the Group's risks and their potential impacts.
- Providing critical, risk-relevant information that empowers leadership to make well-informed, timely decisions.
- Leveraging strategic opportunities that arise from a comprehensive understanding of risks.
- Protecting the Group's desired credit rating to ensure funding and liquidity, thereby ultimately safeguarding shareholder interests.
- Enhancing compliance with corporate governance standards, practices, and applicable laws and regulations.

Governance and Organization

The ultimate responsibility for establishing, reviewing, and adapting the organization-wide governance, risk management, control, and compliance procedures lies with the Board of Directors (Board). The Board has assigned the evaluation of the Group's governance, risk, and control frameworks to the Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC). Additionally, the Board has entrusted the Executive Committee (ExCo) with the duty of implementing and carrying out risk management processes, which are

then cascaded and integrated into regional and functional management.

The responsibility for fostering risk awareness, incorporating significant risks into pertinent decision-making processes, and ensuring the efficacy of measures and controls lies with regional and functional management. Moreover, they are tasked with implementing supplementary mitigation actions when deemed necessary. The Group Risk Management function plays a pivotal role in facilitating the comprehensive enterprise risk assessment process. It aids in the identification and comprehension of the Group's principal risks, allocation of ownership, and enforcement of appropriate measures to mitigate said risks.

Monitoring and Reporting

The Group's continuous monitoring of its primary risks and the corresponding risk management efforts are deeply embedded in regular management review meetings and dedicated committees. The AFRQCC convenes as frequently as necessary, holding a minimum of three meetings per fiscal year, to address any notable concerns raised by Management, Assurance functions (including Group Risk Management, Quality Assurance, Safety Health and Environment, Digital Security, ESG, Compliance, Internal Audit, etc.), or external authorities and regulators.

Furthermore, Group Risk Management facilitates the evaluation of key risks with the ExCo and AFRQCC on an annual basis, while also providing regular reports on the progress of key initiatives. This ensures continuous oversight and responsiveness to emerging risks, thereby aligning risk management activities with the Group's strategic objectives.

While it is acknowledged that the Group faces many risks, the Board has identified the key risks, which includes topics identified in the Group's [Double Materiality Assessment](#) that could potentially impact the achievement of the Group's strategic objectives, as outlined in the table on the subsequent pages.

To delineate the approach of how the Group integrates ESG material topics into its Enterprise Risk Management framework, the subsequent table enumerates ESG material topics as identified in the Group's Double Materiality Assessment from one to five and associates them with pertinent keywords in the risk description and mitigation section. For instance, ESG material topic one, pertaining to climate and energy, is linked to the risk of climate change, denoted as one. This approach is intended to facilitate stakeholders' comprehension of the integration of ESG considerations within risk management, thereby underscoring the Group's dedication to transparency and accountability in addressing ESG-related risks.

Key Risks

Risk Description

Mitigation/Measures

ESG Material Topic

Environmental, Social and Governance (ESG)

The Group's strategic and operational business objectives and associated performance frameworks are linked to a complex, highly interconnected and continuously evolving global ESG transition and physical risk landscape. Factors such as the effects of climate change (1), carbon emissions (1), deforestation (1,2), human rights abuse (4), business ethics, diversity and inclusion, equality and stakeholder impact represent a wide source of uncertain drivers that can lead to opportunity and threats in the pursuit of business objectives and the creation of stakeholder value. ESG-related transition risk factors include uncertainties in relation to stakeholder expectations (civil society, customers, investors, NGOs, regulators and suppliers) associated with social and environmental accountability towards governance, strategy, risk management, metrics and reporting. Furthermore this encompasses continued uncertainty over the adequate operational implementation of various recent and emerging ESG regulations such as end to end supply chain traceability (5) and due diligence. Uncertainty on enforcement practices (1-5) by relevant competent authorities could expose the Group to supply chain disruptions and litigation and negatively impact the Group's commercial position and reputation.

The Group has a long-standing commitment to sustainability. The Group identifies material ESG topics according to the double materiality assessment principles and outlines in detail its plan to make sustainable chocolate the norm in this Annual Social and Environmental Impact Report. Key elements of the Group's sustainability strategy and performance are described in more detail in this Annual Social and Environmental Impact Report (1-5). The Group is committed to continuously improving and implementing ESG specific oversight structures, agile resilience and adaptation measures, robust supply chain traceability and due diligence processes (5) and effective reporting frameworks (1-5). A dedicated ESG task force is employed to oversee, coordinate and align all relevant ESG activities in order to achieve those objectives. The aforementioned principles are also actively promoted in the Group's dealings with suppliers and customers and are as far as possible, imposed through the Group's contractual relationships with these stakeholders. Further stakeholder assurance is obtained through external ratings and audits. The Group publicly discloses sustainability performance, policies, programs, actions, and metrics (1-5) to address the needs of its stakeholders. The Group's progress is reflected in several renowned ESG performance benchmarks and assessments. Dedicated teams are proactively monitoring the evolving regulatory landscape to ensure the Group complies with emerging regulatory requirements as they develop.

The Group links the following ESG material topics directly to this key risk pillar:

- (1) climate and energy
- (2) biodiversity and ecosystems
- (3) workers in the value chain
- (4) affected communities
- (5) supply chain traceability

Long-term sustainable supply of cocoa and other agricultural raw materials

The Group is dependent on a sustainable supply of quality cocoa beans and other agricultural raw materials so that it can produce high-quality cocoa and chocolate products. ESG risk factors such as declining productivity attributable to poor agricultural practices (3), nutrient-depleted soils and aging cocoa trees (3), waning interest from the next generation in becoming cocoa farmers (3), child labor in supply chains (4), shift in the cultivation preferences of farmers from cocoa and other related raw materials to alternative, more attractive crops (3), and the long-term impacts of deforestation (1,2) and climate change (1) could lead to a shortfall in high-quality cocoa beans and other essential agricultural raw materials in the mid- to long-term.

Under the umbrella of its overall sustainability strategy Forever Chocolate, the Group focuses and reports on four pillars to make sustainable chocolate the norm: Prospering Farmers (3), Human Rights (4), Thriving Nature (1-2)) and Sustainable Ingredients (1-2). Long-term measures also include the continuous evaluation and diversification of supply sources in origin countries (1), developing improved and innovative agricultural practices for cocoa farms (2) and maintaining an industry dialogue with key stakeholders in origin and consumer countries (1-5). The Group's sustainability strategy and framework is described in more detail in the Sustainability section of this Annual Social and Environmental Impact Report.

The Group links the following ESG material topics directly to this key risk pillar:

- (1) climate and energy
- (2) biodiversity and ecosystems
- (3) workers in the value chain
- (4) affected communities
- (5) supply chain traceability

Key Risks

Risk Description

Mitigation/Measures

ESG Material Topic

Rapidly shifting trends

Rapidly evolving trends among customers such as food manufacturers, chefs, artisans, and consumers have the potential to disrupt market dynamics and impact the Group’s future growth. Societal shifts, environmental concerns, technological advancements, dietary preferences, political developments, and regulatory changes significantly shape both customer and consumer habits. These factors collectively influence preferences and behaviors, driving changes in market demand and reshaping industries. A deep understanding of these forces is crucial for anticipating shifts and adapting effectively to evolving customer and consumer needs, ensuring sustained growth and continued market relevance.

Trend analysis by the Group’s marketing and customer insight teams, together with cross-functional commercial and operational teams working closely with customers, aim to identify trends in the marketplace, both positive and negative, at an early stage. The Group constantly invests in consumer and customer research, data analytics, R&D and operational capabilities as part of a well-structured process, enabling the Group to develop new products, capabilities and distribution channels which proactively address evolving trends and changing demand patterns.

Customer and consumer sentiments are impacted by ESG material topics. Nevertheless, the Group does not explicitly establish a direct correlation in this disclosure. However, it does acknowledge the indirect association between ESG material topics and customer and consumer sentiments.

Business transformation

The timely commencement and successful implementation of business transformation initiatives (1-5) are critical in pursuing strategic objectives, avoiding disruptions, enhancing agility, and adapting to evolving market conditions. Ineffective project portfolio management and execution, insufficient due diligence, inaccurate assumptions in the business plan, or inadequate acquisition and divestment processes can all lead to unfavorable outcomes. Investing in technology that is no longer competitive or rapidly becomes obsolete may further impede the successful execution of business transformation. These factors have the potential to result in an underperforming business, diminished benefits, or higher than anticipated costs.

All major business transformation initiatives are prioritized and overseen by the Business Transformation and Strategy Team, which is carefully selected by the Group’s ExCo. The Group assigns specialized teams with significant experience, proficiency and capability to handle each specific business transformation project (1-5). These teams proactively follow market, technology and other trends and work in close collaboration with functional and regional experts, external advisors, and the Group’s ExCo. A clearly defined process for the evaluation, execution and integration of major business transformations is employed. The performance of major transformational projects is periodically reviewed against their goals. A similar process is employed for the execution of major acquisitions and divestitures.

The Group links the following ESG material topics directly to this key risk pillar:

- (1) climate and energy
- (2) biodiversity and ecosystems
- (3) workers in the value chain
- (4) affected communities
- (5) supply chain traceability

Key Risks

Risk Description

Mitigation/Measures

ESG Material Topic

External political and economic environment

Uncertain political and economic conditions, shaped by the increasing complexity of a multipolar world, characterized by shifting global power dynamics, growing regional influence, and fragmented alliances, may require the Group to reassess key long-term assumptions underlying its global strategy and operating model. Moreover, sudden major crises, such as pandemics, regional blackouts, armed conflicts, terrorist attacks, natural disasters, trade embargos, financial crises, hyperinflation, or economic depressions, could severely disrupt markets, operations, supply chains and access to critical raw materials. These challenges may lead to reduced demand for cocoa and chocolate products, create obstacles to expansion, necessitate adjustments to the Group's footprint, and negatively affect financial performance. Failure to adapt swiftly to these evolving conditions could compromise the Group's strategic objectives and long-term sustainability. Nonetheless, the Group could also find growth opportunities in regions experiencing economic expansion and through new trade agreements, positioning itself to benefit from these developments.

The Group operates in both developed and emerging markets, maintaining a well-diversified portfolio across various markets, products, and customer segments. Leveraging its global operations and innovation networks, the Group is well-positioned to swiftly respond to customer demands and provide flexible, optimized solutions that adapt to evolving market conditions. By continuously monitoring global political and economic developments, particularly in regions of heightened uncertainty, the Group anticipates potential scenarios and makes informed decisions on how to prepare. The Group's adaptable organization and robust strategy, business transformation and issue management processes enable it to address both temporary supply and demand shocks, as well as structural shifts in the political and economic landscape. To further enhance robustness against unforeseen external events beyond the Group's control, the Customer Supply and Development team considers a wide range of external factors when making strategic decisions about the Group's operational footprint to improve resilience, while the treasury department carefully manages capacity across multiple funding sources to maintain financial stability and secure access to liquidity in the face of such events.

Various ESG material topics constitute a highly significant foundation of local, regional, and global political and economic deliberations and frameworks. However, the group does not explicitly establish a direct connection, but rather recognizes its interconnectedness as part of this disclosure.

Long-term outsourcing agreements

The Group has entered into a number of important long-term outsourcing agreements with customers. Failure to renew, early termination of existing long-term outsourcing agreements, failure to enter into new agreements or failure to negotiate terms that are attractive could have a material impact on the result of operations.

The Group has a highly diversified global customer base representing a healthy mix of small, medium and large customers. For global strategic customers, the Group has established long-term outsourcing agreements governing mutual cooperation, addressing standards for quality, quantity commitments, pricing, service levels, innovation and ethics. For these customers, the Group has appointed dedicated teams that develop and maintain a close relationship in order to respond to customer needs professionally and promptly and to provide high-quality services that are mutually beneficial for all stakeholders concerned. These teams have expertise in customer relationships, service and innovation, as well as in commercial and pricing matters.

The Group recognizes the inherent interconnectedness between ESG material topics and its customer value proposition. Although the Group does not explicitly establish a direct correlation in this disclosure, it acknowledges the substantial relevance of these factors for its customers.

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
Talent and workforce management	<p>Failure to attract, retain and develop a talented workforce with the right capabilities and skills could impact the Group's ability to achieve its strategic objectives. Tight and competitive labor markets (accelerated by shifting skill requirements, new ways of working and demographic or technological shifts or other factors) could lead to a shortage of skilled labor or talent in selected regions and functions. Sustained shortages and increased turnover rates could further impact the Group's costs and operational reliability.</p>	<p>Every effort is made to nurture a diverse and inclusive work environment that is supported with optimal processes and policies to attract, select, develop, reward and retain talent with the right capabilities and skills needed to achieve the Group's strategic objectives. The Group employs succession planning, talent reviews, remuneration benchmarking, long- and short-term incentive plans, training and leadership development programs, as well as the tools to support and measure the success of all these processes. The Group's strategy for Diversity & Inclusion is described in more detail in the "Our People" section of this Annual Social and Environmental Impact Report. Further, the Group continuously invests in business process technology and automation to make work more productive, collaborative and rewarding for its employees.</p>	<p>Various ESG material topics may influence the Group's employer branding proposition and have the potential to affect its workforce in factories or the supply chain. While the Group does not expressly establish a direct correlation within this disclosure, it acknowledges the inherent interconnectedness.</p>
Quality & food safety	<p>Products that fail to meet the established standards of quality and food safety pose a significant risk to the Group. Such non-compliant products can result in business disruptions, legal disputes, claims related to product liability and recalls. Additionally, the Group's reputation may be adversely affected, leading to potential revenue loss and a decline in market share. There is also a possibility of accidental or malicious contamination of raw materials or finished products at various stages of the supply chain, which further amplifies the risk. Furthermore, the occurrence of other product defects is possible, attributable to human error, equipment malfunction, or other contributing factors.</p>	<p>The quality management programs and systems of the Group encompass clear cross-functional responsibilities, robust standards, guidelines, and procedures. The Group's extensive quality program is continuously enhanced and encompasses various aspects including supplier strategy and requirements, factory design, and testing processes. Furthermore, a program promoting a culture of quality and food safety, endorsed by the Group's Executive Committee, is effectively implemented throughout the entire organization to ensure that all employees maintain a mindset of zero defects. A well-governed process for managing issues is in place, regularly evaluated, and simulated to ensure prompt and appropriate response in the event of a food safety incident.</p>	<p>The quality and food safety risk landscape of the Group may be influenced by various ESG material topics, necessitating adjustments to the Group's quality management systems and procedures. Although this disclosure does not explicitly establish a direct correlation, the Group recognizes the inherent interconnectedness between these factors.</p>
Operations and supply chain	<p>The Group's operations and supply chain network could face disruptions from a variety of climate-related acute and chronic physical risks, including adverse weather events (1), such as natural disasters, water stress (1), energy shortages (1), disease outbreaks (impacting humans or crops) (1,2), political instability, sabotage, workforce disruptions, and other factors that may hinder the Group's ability to produce and deliver products to customers. Furthermore, interdependencies with transition risk factors, such as ESG-related regulations (5), geopolitical or geoeconomic shifts in global trade flows, and other regulatory changes, could further undermine the resilience of the Group's global operations and supply chain network.</p>	<p>The Group's sourcing, operations, and supply chain departments manage a well-diversified and flexible operations network, underpinned by a structured and coordinated global, regional, and local sales and operations planning process. Additionally, a comprehensive issue management system is in place to ensure business continuity and recovery in times of disruption. The global sourcing teams continuously monitor key risk indicators, including weather patterns, harvest conditions, political risks, and other relevant factors to proactively mitigate potential supply shortages or disruptions affecting raw materials, machinery, equipment, indirect materials, logistics, and other services. Short-term mitigation strategies include maintaining adequate safety stock levels and utilizing a diversified regional supply network. Long-term adaptation and resilience measures involve strategic reviews of the Group's sourcing, operations, and supply chain footprint (1).</p>	<p>The Group links the following ESG material topics directly to this key risk pillar:</p> <ul style="list-style-type: none"> (1) climate and energy (2) biodiversity and ecosystems (5) supply chain traceability

Key Risks

Risk Description

Mitigation/Measures

ESG Material Topic

Digital security

The Group's business processes, including interactions with customers, suppliers, and remote employees, rely heavily on the reliability and security of its information and operations systems. Cyberattacks targeting our critical information and operations technology assets, environmental or physical damage to global data centers, widespread network failures, or any other significant security incidents could compromise the availability or integrity of these essential technology assets. This could result in business interruptions, loss of confidential data, direct financial losses, and non-compliance with data protection laws or other regulatory requirements. Major cyber incidents may also harm the Group's reputation, potentially leading to a loss of revenue and market share.

The Group's Digital department, in conjunction with the Operations Department, has established comprehensive end-to-end cybersecurity risk management frameworks. These frameworks provide a holistic approach to cybersecurity by defining clear governance and strategy, which includes active involvement from senior management and key business stakeholders. To safeguard the Group's critical business applications and locations, a range of preventive measures has been implemented. These include advanced technical solutions, regular internal awareness campaigns, and cybersecurity training for all employees and select contractors. These measures are continually reviewed and improved. In the event of a significant incident, robust incident response and disaster recovery solutions, plans, and procedures are in place and are regularly updated. Additionally, a mid-term plan to enhance information and operations technology security is consistently developed and executed to ensure ongoing improvement.

The digital strategy of the Group plays a crucial role in facilitating the achievement of objectives across various business domains, encompassing matters pertaining to various ESG material topics. While this disclosure does not explicitly establish a direct correlation, the Group acknowledges the inherent interdependencies between Digital as a crucial enabler to address material ESG topics.

Price volatility of raw materials and other input factors

Market prices for raw materials, energy and other input factors, as well as the structure of the terminal markets could have an influence on the Group's liquidity and operational results. To manage its exposure to these factors, the Group uses derivative financial instruments and forward physical commitments. Liquidity and operating results may be affected by ineffective hedging strategies or by positions taken. Furthermore, the Group's profitability can be affected by its exposure to the volatility of the combined cocoa ratio, which expresses the combined sales prices for cocoa butter and cocoa powder in relation to the cocoa bean price.

The Group's commodity risk management policies require that all risk exposures are hedged back-to-back in accordance with the related limit framework from the moment such exposures are entered into. For its contract business, namely the Food Manufacturers Product Group, which accounts for the majority of the business, the Group mitigates the impact of volatility in prices of raw material and other input factors through a cost-plus pricing model. Raw material price exposures arising at contract signing are hedged in accordance with the commodity risk management limit framework. Price exposures to other input cost factors are managed through index based pricing mechanisms. In the Gourmet Product Group, the Group applies a price list model whereby forecasted sales are hedged and price lists are adapted on a regular basis. Adherence to the limit framework is regularly monitored by experts on local, regional as well as on group level. In the Cocoa Product Group, the Group attempts to mitigate the effects of the volatility of the combined ratio by means of a central management system which monitors the positions and exposures related to cocoa products globally, taking into account both internal and external demand. The Group's financial risk management framework related to commodities, foreign currencies, interest rates and liquidity is described in more detail in note 3.7 to the Consolidated Financial Statements.

Exchange traded commodities' prices and volatility are affected by various risk factors, including various ESG material topics. While the Group doesn't explicitly state a direct correlation in this disclosure, it recognizes the implicit interconnection.

Key Risks

Risk Description

Mitigation/Measures

ESG Material Topic

Funding and liquidity

The Group's operations are exposed to liquidity, interest rate, foreign currency and credit risks. Volatility in raw material prices and supply chain requirements affect the Group's working capital requirements and cash flows and could result in funding and liquidity issues. Failure to deliver on key parameters including cash flow could result in a downgrade of the Group's credit rating and restrict its access to financial markets.

The Group has established a robust financial risk management framework and governance structure. The Group's liquidity is ensured by means of regular Group-wide monitoring and planning of liquidity coordinated by the Group's centralized treasury department. Financing needs are covered through a combination of adequate credit lines with reputable financial institutions and short- and long-term debt capital market products. In addition, the Group's treasury policy requires that all foreign currency exposures in a floating currency regime as well as interest rate risk exposures are hedged in accordance with the related limit framework from the moment such exposures are entered into. The Group's financial risk management framework related to financing and liquidity is described in more detail in note 3.7 to the Consolidated Financial Statements.

Credit rating evaluations conducted by rating agencies, along with market prices and volatility pertaining to interest rates and foreign currency exchange rates, are impacted by a multitude of risk factors, encompassing also various ESG material topics. Although the Group does not explicitly articulate a direct correlation within this disclosure, it acknowledges the implicit interconnectedness.

Legal, regulatory and compliance

The Group is subject to both international and national laws, regulations and standards in such diverse areas as product safety, product labeling, environment (1,2), health and safety, employment and human rights (3,4), intellectual property rights, antitrust, anti-bribery and corruption, trade sanctions, data privacy, supply chain traceability (5) & supplier due diligence, climate and social related laws and regulations (1,2,3,4,5), corporate transactions and taxes in the countries in which it operates, as well as stock-exchange-listing and disclosure regulations in a constantly changing regulatory environment. Failure to comply with applicable laws and regulations could expose the Group to investigations, litigation, administrative and/or criminal proceedings potentially leading to significant costs, fines and/or criminal sanctions against the Group and/or its directors, officers and employees with possible reputational damage.

Dedicated regional and local functional managers, supported by specialized corporate functions and external advisors, ensure compliance with applicable laws and regulations. The Group has robust policies, processes and controls in place in the relevant areas. The Group's Legal & Compliance department oversees the Group's compliance program, which ensures awareness of the compliance risks and the Group's compliance standards. The Code of Conduct, the Supplier Code and other Group policies set out the legal and ethical standards of behavior expected from all employees and selected stakeholders.

The Group links the following ESG material topics directly to this key risk pillar:

- (1) climate and energy
- (2) biodiversity and ecosystems
- (3) workers in the value chain
- (4) affected communities
- (5) supply chain traceability

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Continuing our commitment to be the leading partner for sustainable solutions

Introduction

Forever Chocolate is Barry Callebaut’s plan to make sustainable chocolate the norm and to continue investing in a sustainable supply chain to ensure action and impact. Forever Chocolate tackles the material issues in our cocoa and chocolate supply chain and operations through investment as well as through the implementation of due diligence. Forever Chocolate’s ultimate aim is to generate a living income for cocoa farmers, to protect human rights and children’s rights, to become forest positive, to decarbonize our carbon footprint in order to become a net-zero company and to have 100% certified or verified ingredients in all of our products, traceable to farm level.

Forever Chocolate was launched in 2016. Founded upon Barry Callebaut’s long-standing investment in a sustainable cocoa and chocolate supply chain, it added transparent annual reporting with a set of time-bound metrics. Resolving the material issues in the cocoa and chocolate supply chain is imperative for social and environmental reasons, plus it helps to build a more resilient supply chain and operations, to the advantage of farmers, our employees, customers, suppliers, shareholders and, ultimately, chocolate lovers.

Key highlights of 2023/24

This marks our eighth year of reporting on our Forever Chocolate progress. Throughout fiscal year 2023/24, we faced significant hurdles in advancing sustainability, with cocoa prices hitting record highs due to a global shortage of beans, caused by weather and climate-related challenges. Nevertheless, our dedication to making sustainable chocolate the norm, did not waver. We enhanced our collaboration with customers, industry partners, and broader society, combining our practical experience with their needs. These efforts further solidified our role as a trusted partner for sustainable chocolate solutions. Our key highlights include:

- Implementation of a rigorous organizational-wide approach to prepare for the EU Deforestation Regulation (EUDR), which has profoundly transformed our traceability efforts and set a new standard for transparency in our supply chain. As



In 2023/24 we set a **new standard for traceability** in our supply chain. This significant effort is exemplified by the 669,174 (+22.2%) cocoa farm plots we mapped ensuring traceability to farm level for these farms.

such, we have mapped 669,174 farm plots (+22.2%) in 2023/24.

- Significant increase in carbon removals (-388,433 tCO₂e). through the upscaling of our agroforestry approach, which reached 33,795 hectares of agroforestry newly established in 2023/24.
- Scale-up of our paid Labor Groups program by +125.8% in comparison to 2022/23, now covering close to 44,000 hectares.
- Partnership with three international child rights organizations to address socio-economic factors driving child labor and child rights, supporting our new community-based approach in Côte d'Ivoire, Ghana, and Nigeria.

In addition, in 2023/24, we launched our [Future Farming Initiative](#) (FFI) which aims to be a catalyst for the industry for scaling sustainable, high-tech cocoa farming. The development of an initial 5,000 hectares in Bahia, Brazil, is designed to pilot innovative, sustainable practices and create a scalable, high-tech model for profitable cocoa farming. Through this project, we aim to set new benchmarks in the industry while sharing our insights and expertise from FFI with partners across all our sourcing regions, supporting their ongoing efforts toward more productive and sustainable cocoa farming.

Continued commitment to traceability

Traceability is fundamental to our commitment to making sustainable chocolate the norm. Our traceability systems ensure transparency and accountability, allowing us to precisely track the origins of our products while promoting ethical practices, protecting human rights, and minimizing environmental impact through deforestation monitoring, education, and prevention programs. In response to both regulatory requirements and growing customer demand for segregated supply chains that uphold brand sustainability ambitions, we are continuously developing innovative solutions to meet these requirements and expectations.

Consequently, in 2023/24, our mapping initiatives were expanded to include 669,174 cocoa farm plots, marking a 22.2% increase. This progress has enabled farm-level traceability for the cocoa sourced from the mapped farms.

With the continued support of our customers, we also raised the percentage of products containing 100% verified or certified cocoa or chocolate to 55.5%, up from 51.5% in the previous year. Setting industry-wide standards and programs is crucial for the sustainable sourcing of raw materials, as certification serves as just the initial step. We remain committed to collaborating with suppliers and industry initiatives to shape and implement sustainability benchmarks for all the ingredients we source. More information on these and other achievements is provided in each pillar of this report - Prospering Farmers, Human Rights, Thriving Nature and Sustainable Ingredients.

Fit for a changing regulatory landscape

Forever Chocolate ensures Barry Callebaut is fit for a changing regulatory landscape. Sustainability is no longer just nice to have, but a “must-have” as part of a corporate license to operate. This shift is the direct result of both industry and societal groups that acknowledged the limits of voluntary industry action in building sustainable supply chains. Regulators across the world have in recent years introduced and implemented legislation that requires products to fulfill certain minimum sustainability standards. Both in the United States and in the European Union, authorities can, and will, block the import/distribution of products if they do not fulfill human rights (EU and US) or environmental criteria (EU).

Particularly noteworthy in this respect is the EU Deforestation Regulation (EUDR), which entered into force in June 2023, and the EU Corporate Sustainability Due Diligence Directive (CSDDD) adopted in 2024.

EUDR requires companies to ensure that the products they place on the EU market are legal, traceable and deforestation-free. Through our Forever Chocolate actions, we have considerably advanced in our traceability efforts prior to EUDR adoption, by mapping the farmers in our supply chain to verify that the cocoa we supply is legal and deforestation-free. This is by no means an easy exercise, but thanks to the 1,600 people

we have on the ground, interacting on a daily basis with cocoa farmers, we have made great strides in mapping our supply chain, and will be EUDR compliant by the application date¹.

The EU CSDDD requires companies to implement a due diligence process on human and environmental issues. This means mitigating the risk of potential human rights and environmental harms, identifying and remediating actual human rights and environmental harms, and reporting on due diligence framework. Forever Chocolate has been the platform through which Barry Callebaut has been openly communicating over the years about issues in the cocoa and chocolate supply chain and about the remediation steps it has been carrying out. For a detailed description of the implementation of due diligence in our supply chain and operations, please see the section on [due diligence](#) below.

In addition, we are also working towards the quantitative analysis required by the [Task Force on Climate Related Disclosures](#) (TCFD). Whilst we already disclose the core elements of TCFD via our Social and Environmental Impact Report, [Net Zero Roadmap](#) and [CDP](#) reports, we are continuously working on our scenario modelling and risk and mitigation strategies.

In addition, in 2023/24, Barry Callebaut initiated a project to align its business activities with the [EU Taxonomy regulation for sustainable activities](#), enhancing its data collection and reporting processes to ensure compliance and transparency. This initiative will support our strategic growth in sustainable sectors and strengthen our commitment to environmental responsibility. Furthermore, during the current fiscal year we also commenced a project to ensure preparedness for the [Corporate Sustainability Reporting Directive](#) (CSRD), an EU directive aimed at establishing a more standardized approach for the disclosure of information on ESG-related topics, enabling stakeholders to more effectively compare companies' progress in addressing and managing ESG risks. Barry Callebaut will comply with TCFD, CSRD and EU Taxonomy reporting requirements in 2025/26.

Protect, Grow, Transform

To make sustainable chocolate the norm we have developed our “North Star”, a vision of the key enablers to achieve a radical transformation of the cocoa sector. Our “North Star” approaches are country-specific and built upon a deep understanding of the respective economic and political context. Achieving the “North Star” vision will require a mix of corporate sustainability programs and an enabling policy environment implemented by the public sector. We view this as a long-term process consisting of three sequenced phases - **Protect, Grow and Transform**. What does this mean in practice?

It starts with the **Protect** phase. This is focused on ensuring compliance with certification standards and applicable legislation in cocoa origin and in cocoa consuming regions. Legislation creates a level playing

¹ On October 2, 2024, the European Commission proposed a 12 month delay for EUDR implementation, making the law applicable on 30 December 2025 for large companies and 30 June 2026 for micro- and small enterprises. At the time of drafting of this report, the EU co-legislators, the European Parliament and the Council, were reviewing the European Commission's proposal.

field and ensures that all actors are taking responsibility. Barry Callebaut has in the past three years been an ardent supporter of the EU Deforestation Regulation (EUDR) and the EU Corporate Sustainability Due Diligence Directive (CSDDD), as well as the African Regional Standards on cocoa sustainability (ARS 1000). These are important regulatory developments ensuring the protection of forests and human rights in cocoa and chocolate production through the implementation of supply chain traceability. Together they form the foundation upon which we can implement our corporate sustainability programs in the Grow and Transform phases.

In the **Grow** phase we will implement a number of activities that have been proven to deliver impact. The focus is on growing incomes, increasing cocoa farmer yields, implementing agroforestry to build climate change resilience and building a community environment that protects human rights. These actions lay the stepping stones for the **Transform** phase, where the focus is on modernizing smallholder farming, and piloting industrial cocoa farming as a potential answer to some of the structural challenges inherent in today's smallholder farming model, including traceability and land-use intensity.

Recognition of our progress and impact

CDP, an independent organization that assesses the carbon reduction strategies of over 21,000 companies, awarded Barry Callebaut an 'A' and recognized us as a CDP Leader for our efforts in reducing carbon emissions and engaging suppliers to address Scope 3 emissions - which includes emissions beyond our direct supply chain. This recognition reinforces our dedication to transparency, proactive risk management, and setting ambitious, impactful targets for climate action. For our customers and partners, this highlights our unwavering commitment to supporting their sustainability goals. With a proven track record in implementing cutting-edge environmental practices, we continue to lead the way in sustainability innovation and excellence. Additionally, CDP also ranked Barry Callebaut as 'A-' for Forest Stewardship, recognizing our transparency in forest stewardship and our strong efforts in combating deforestation. In addition, Barry Callebaut's 'AA' MSCI ESG rating as at August 31, 2024 has been confirmed.



FOREVER CHOCOLATE
MAKING SUSTAINABLE CHOCOLATE THE NORM



PROSPERING FARMERS

By **2025**, 500,000 cocoa farmers in our supply chain will have been lifted out of poverty. By **2030**, we will have mobilized key stakeholders around a transformative cocoa farming model generating living income.



HUMAN RIGHTS

By **2025**, our entire supply chain will be covered by Human Rights Due Diligence, remediating all child labor cases identified. By **2030**, the farming communities we source from are empowered to protect child rights.



THRIVING NATURE

By **2025**, we will be forest positive. By **2030**, we will have decarbonized our footprint in line with global efforts to cap global warming at 1.5 degrees Celsius. By **2050**, we will be a net zero company.



SUSTAINABLE INGREDIENTS

By **2030**, we will have 100% certified or verified cocoa and ingredients in all of our products, traceable to farm level.

Due diligence, what is it and how is it included in Forever Chocolate?

Forever Chocolate aligns with the [OECD Guidelines for Responsible Business Conduct](#), which provide a comprehensive framework for promoting responsible business practices. The guidelines provide enterprises: “with the flexibility to adapt the characteristics, specific measures and processes of due diligence to their own circumstances”.

This framework applies universally to Barry Callebaut employees, suppliers, contractors, agency workers, and volunteers. It also extends to Barry Callebaut’s wholly owned affiliates and subsidiaries, as well as employees of any joint venture.

Alignment with the OECD Guidelines helps us to:

- Establish a unified framework that recognizes the company’s obligation to uphold all material risks, encompassing all personnel, business operations, and affiliations across Barry Callebaut’s entire value chain;
- Define a proactive and efficient due diligence strategy for the entire Group;
- Describe a systematic approach to assess, monitor, and mitigate material risks in Barry Callebaut’s value chain following the six steps of the OECD Guidelines for Responsible Business Conduct framework.

By implementing the OECD guidelines, Barry Callebaut seeks to align with incoming regulations, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), adopted in 2024.

Governance: embedding responsible business conduct into policies and management systems

The OECD guidelines for Responsible Business Conduct entails a six-step process:

1. Embedding responsible business conduct into policies and management systems

Barry Callebaut’s Board of Directors has the overall responsibility of ensuring that Environmental, Social and Governance (ESG), related policies and strategies, including activities for Forever Chocolate, align with the long-term strategy and business model of the company.

ESG governance is embedded into our policies and management systems by integrating clear policies that align with ESG goals, such as our [Supplier Code](#), which applies to all suppliers and their employees providing products, materials, expertise and related services to any entity of the Barry Callebaut Group. The Supplier Code sets out the essential minimum requirements expected from each supplier and flanks their commitments under applicable laws, regulations and contractual arrangements. Our [Global Statement on safeguarding human rights](#), including the prevention of modern slavery and human trafficking, in our supply chain describes Barry Callebaut’s approach and efforts toward safeguarding human rights and ensuring that slavery and human trafficking are not taking place in

any part of our business or our supply chain. This statement is updated on an annual basis.

Our approach to ethical governance is structured to enforce these policies, with regular monitoring, reporting, and adjustments to ensure compliance and continual improvement. By embedding ESG into the core of business operations, we not only adhere to regulatory requirements but also build trust with stakeholders, reduce risks, and create long-term value. For further details of our activities and policies please see: [Our Position on ESG](#).

2. Identify and assess adverse impacts in operations, supply chains and business relationships

To ensure that we are focusing on addressing the most pressing material topics in the chocolate and cocoa value chain, we aim every two years to undertake a materiality assessment to align with the evolving needs of our stakeholders and the changing dynamics of our industry. Our 2023 double materiality assessment reaffirmed our commitment to the Forever Chocolate pillars: Prospering Farmers, Human Rights, Thriving Nature, and Sustainable Ingredients.

As indicated above, from this assessment, five significant areas emerged as material: Supply Chain Traceability, Climate and Energy, Biodiversity and Ecosystems, Workers in the Value Chain, and Affected Communities. The Board of Directors officially approved these material topics in April 2023. The outcomes of our materiality assessment are visualized in a Materiality Matrix, accessible in our Barry Callebaut’s [Approach to Double Materiality Method Paper](#).

3. Cease, prevent or mitigate adverse impacts

For each of our four pillars and their material issues, we have created strategies to achieve our targets and to cease, prevent or mitigate adverse impacts. Our approach is based on the solid foundation of the skills and insights of our people on the ground, scientific evidence and data analysis. Through the mapping of the location and size of the cocoa farms in our direct supply chain, the funding of productivity improving measures for cocoa farmers through Cocoa Horizons, the definition and implementation of industry-wide sustainable sourcing standards and the development of a community-based approach to fighting child labor, to name but a few action plans, we are making good progress in tackling the adverse impacts in our value chain and operations.

Through constant engagement with stakeholders, including local communities, experts, societal stakeholders, and industry partners, we ensure that our efforts are informed by diverse perspectives and address relevant concerns.

For a detailed description of our activities to cease, prevent or mitigate, please see the chapters describing how we are tackling the issues in each of the four pillars of Forever Chocolate.

4. Track implementation and results

Through on-the-ground assessment and data gathering we track implementation and progress. In

close collaboration with strategic partners we have established a robust digital infrastructure for precise data collection, storage, retrieval, and collaboration among supply chain stakeholders. To illustrate, our ever-growing cocoa farmer database, which maps the geographical location and the size of the farms from which we are sourcing, currently covers 80% of our direct cocoa supply chain, resulting in traceability to farm level.

Furthermore, in close collaboration with external experts we are developing tools to track progress on several fronts, e.g. by establishing the industry-first carbon calculation methodology for land-use change emissions and developing satellite-imagery-based High Carbon Stock (HCS) maps. In addition, we are conducting independent Human Rights Impact Assessments (HRIAs) for all the main cocoa sourcing countries and regions, and using the results to prioritize and develop interventions and engagement with suppliers to ensure the protection of human rights in our supply chain.

For a detailed description of how we track implementation and their results, please see the chapters describing how we are tackling the issues for each of the four pillars of Forever Chocolate.

5. Communicate how impacts are addressed

We communicate our efforts to resolve the material issues in our supply chain on a regular basis through various channels and reports. This fiscal year we are publishing for the first time our Social and Environmental Impact Report, which includes

references to all our ESG-related publications and policies, including our [GRI Report](#). In addition, we maintain a dedicated [public website](#) covering the full range of relevant ESG topics and related reports and policies. We have obtained independent limited assurance over select Forever Chocolate KPIs, from an third-party [assurance](#) provider.

6. Provide for, or cooperate in, remediation when appropriate

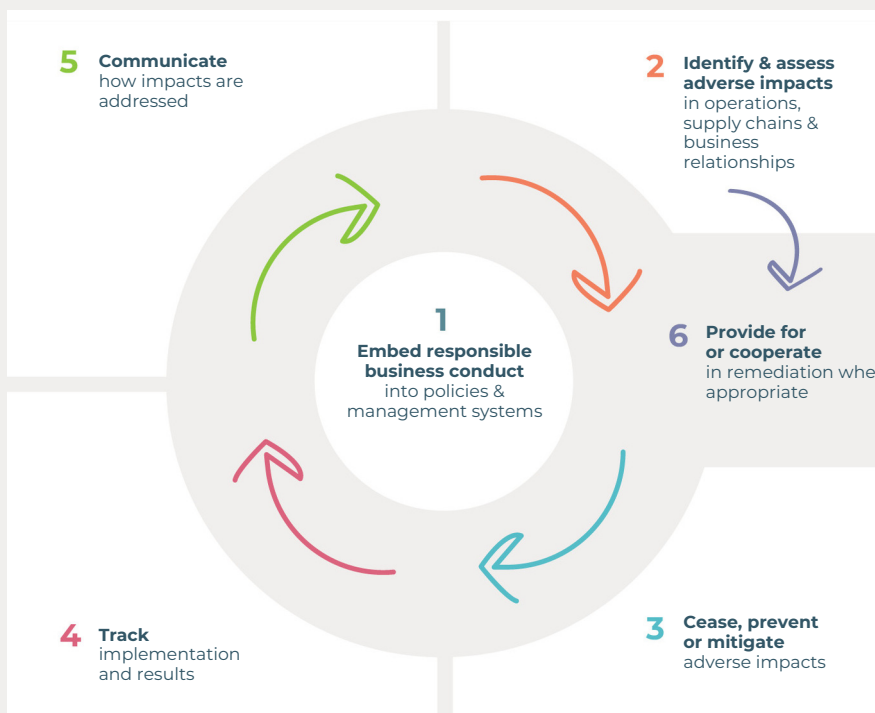
Remediation is an integral part of our Forever Chocolate efforts to resolve the material issues in our supply chain. The provision of input support to cocoa farmers, the remediation of identified cases of child labor and the distribution of shade trees are examples of how we are actively remediating the negative impacts from the material issues in the cocoa and chocolate supply chain.

For a detailed description of our remediation activities, please see [Forever Chocolate chapters](#).

Engagement with relevant stakeholders & grievance mechanism procedure

Both for the design and execution of Forever Chocolate, we are in active contact with relevant stakeholders. For the preparation of our biannual materiality assessment, we engaged with a broad range of stakeholders to ensure that our activities and investments under Forever Chocolate are in line with the expectations from cocoa farmers, societal actors, customers, investors and our colleagues.

OECD Due Diligence Guidance for Responsible Business Conduct: risk-based due diligence framework



Source: <https://www.oecd.org/en/topics/due-diligence-for-responsible-business-conduct.html>

In fiscal year 2023/24, we also hosted a dedicated consultation with global NGO’s on our compliance with EUDR as well as our grievance handling process. We believe this collaboration is essential for cultivating an environment of trust and accountability by encouraging NGOs to communicate their concerns directly with Barry Callebaut. By strengthening our relationships with NGOs, we aim to enhance our due diligence processes, addressing potential non-compliance risks at their source. NGOs commended Barry Callebaut for its transparent and proactive approach, as well as its strategic rigor and ambition, and strongly appreciated our commitment to cover all technical compliance costs for farmers and farmer groups.

With over 1,600 colleagues in cocoa origin countries, we are in daily contact with cocoa farmers across the globe to deepen our understanding and support them in their concerns and needs. Through [Cocoa Horizons](#), our preferred vehicle for the implementation of sustainability activities in the cocoa supply chain, and through customer programs, we are partnering with our customers to build a sustainable cocoa and chocolate supply chain. We are partnering with academics and experts to design tools and approaches in support of reaching our Forever Chocolate targets.

Barry Callebaut has established a dedicated whistleblowing platform: [Integrity Line](#). The Integrity Line platform is part of Barry Callebaut’s Compliance program. It was launched to facilitate reporting of non-compliance and suspicious transactions in cases where employees do not feel comfortable addressing such issues directly. The platform also allows for anonymous reporting. Employees can also call the Integrity Line hotline (24/7).

In addition, to encourage stakeholders and affected groups from the supply chain to report any potential grievances and concerns on human rights, deforestation, and governance violations, Barry Callebaut has established a grievance platform. Through the grievance platform we are inviting input from all stakeholders that will help us to identify potential issues or violations, increase transparency and promote continuous improvement. Our grievance platform covers our entire supply chain. The Compliance team hosts the grievance platform and acts as a coordinator to ensure the adequate processing of incoming grievances. A complaint can be raised by parties who are themselves affected, such as workers or local communities, by an organization representing the affected parties, such as a trade union, or by an independent organization, such as an NGO. With this grievance mechanism, Barry Callebaut has established a process to systematically receive, investigate, and respond to complaints affecting Barry Callebaut’s supply chain from rights holders and implement time-bound actions to resolve these issues. In order to distinguish the grievance mechanism from the internal reporting process and internal vulnerability identification processes, it is important to understand that the grievance mechanism deals with complaints coming from external parties in the company’s supply

chain. In this way, Barry Callebaut ensures that an effective grievance mechanism is in place for all external stakeholders.

Building an enabling policy environment

Forever Chocolate defines the actions that Barry Callebaut is taking to promote and strengthen a sustainable cocoa and chocolate supply chain, but for systemic change we need the support of public intervention. Topics such as land consolidation, access to land titles, national traceability systems and access to quality education cannot be addressed through sustainability programs. They require legislation. For this Barry Callebaut is actively engaged in industry associations such as the World Cocoa Foundation (WCF) and the European Cocoa Association (ECA) to unite the industry behind a transformative agenda. The EU Deforestation Regulation (EUDR) and the EU Corporate Sustainability Due Diligence Directive (CSDDD) will ensure that the cocoa containing products on the EU market will fulfill minimum standards on environmental and human rights protection, driving a level playing field and a baseline sustainability standard in the sector. In the past fiscal year much effort has been put into understanding the specific implementation details of the EUDR, ensuring consistent implementation by industry and harmonized enforcement by authorities. In cocoa origin countries we continued our close cooperation with industry and governments on building a cocoa farmer database, sharing our data on the mapped cocoa farmers in our supply chain. Having a clear line of sight of who produces cocoa and where it is being grown is a prerequisite for establishing country wide traceability and for discouraging cocoa farm expansion into forested land.

Prospering Farmers



PROSPERING FARMERS

Our goal

By 2025, 500,000 cocoa farmers in our supply chain will have been **lifted out of poverty**. By 2030, we will have mobilized key stakeholders around a transformative cocoa farming model **generating living income**.

Introduction

A sustainable cocoa and chocolate supply chain starts with prospering farmers. The reality on the ground unfortunately tells a different story. A large proportion of cocoa farmers, globally, and particularly in West Africa, earn an income below the extreme poverty line. Low yields on small plots of land keep cocoa farmers in a state of poverty. As a result many cocoa farmers lack the means to invest in improving their farms, lack the means to send their children to school and to hire professional farm hands. Our philosophy is to provide the needed support to empower cocoa farmers to leverage their cocoa farming expertise to improve their yields and to increase their financial resilience by diversifying their income.

Barry Callebaut has committed to lifting 500,000 cocoa farmers out of poverty by 2025. By 2030 we will have mobilized key stakeholders around a transformative cocoa farming model generating living income.

Our approach

Farmer Income

To lift cocoa farmers out of poverty and get them on a trajectory towards a living income, we need to have deep insights into the components of a farmer's income. For this we conducted in-depth research into cocoa farmer incomes in three major cocoa producing countries: Cameroon, Côte d'Ivoire and Ghana. The purpose of our research is to support the development and implementation of Living Income Interventions, ranging from increased access to finances, training, coaching, production inputs and labor services, in close collaboration with other key stakeholders in the cocoa value chain.

A typical farmer that has reached a living income has on average 5 hectares of land dedicated to cocoa with a yield of more than 600 kg/ha. This is a different reality for the average cocoa farmer, who cultivate 3.8 hectares of land dedicated to cocoa with an average yield of 450 kg/ha.

Cocoa farmers and their families whose income does not meet the living income benchmark is an economic development issue. Even if cocoa prices increase, as they did in the past fiscal year, not all cocoa farmers will earn an income above the living income benchmark. To achieve a living income for cocoa farmers in our supply chain, we need to work at a landscape level. This means working with the governments of cocoa origin countries to accelerate the stimulation and diversification of rural economies, working together with other sectors beyond cocoa and openly sharing data and insights on income.

Barry Callebaut's living income approach is structured around various interventions leading to a smart mix for the cocoa farmers we work with. First, there are the interventions to increase cocoa yield and create income from other sources than cocoa. These interventions include providing cocoa farmers with access to professional labor groups that can help them prune their cocoa trees. Labor group members are often cocoa farmers operating on smaller size farms, who can thus earn additional income to support their households. Cocoa farmers are also given access to Farm Services, a combination of fertilizers, crop protection inputs, coaching, as well as soil analysis to drive tailored farm-specific interventions. In addition, the interventions we offer can also entail payments for Environmental Services Agroforestry, which aim to increase survival rates of seedlings. Through this

program, Barry Callebaut distributes non-cocoa trees to help diversify farmer incomes, provide shade for cocoa seedlings, sequester carbon dioxide and improve soil quality and biodiversity. Further details are given on page 33.

Second, there is the transfer of cash. This can take the form of cash premiums on top of the cocoa price to bridge the gap towards a living income, conditional cash transfers, including the implementation of good agricultural practices, and unconditional cash transfers.

Third, we support cocoa farming communities in setting up of Village Savings Loans Associations (VSLAs), collective savings and loans schemes managed by the women in the community that increase the financial resilience of cocoa communities in general and women (farmers) in particular.

And finally, efforts toward land size consolidation are supported to increase the size of farms.

Partnering with our customers for change

Alongside our own interventions, we partner with our customers to support cocoa farmers on their journey to achieving a living income. Most programs are thus set up to become self-sustaining, i.e. to not be dependent on open-ended external funding. This means that subsidies are often conditional on co-investment by the cocoa farmers or conditional upon successful implementation of certain activities, such as cocoa tree pruning.

We support Nestlé, as a part of its Living Income Action Plan, with the implementation of its Income Accelerator. Under the program, participating cocoa-farming families receive, on top of certification premiums, a mobile cash payment for enrolling children in the household in school, implementing good agricultural practices, performing agroforestry activities to increase climate resilience and diversifying incomes, for example by growing other crops and raising livestock.

Our data and research across multiple studies clearly and consistently demonstrate that targeted pre-harvest interventions, such as increased labor for cocoa tree pruning and the strategic application of fertilizers, lead to significantly higher cocoa yields and improved farmer incomes. However, the financial burden of these necessary investments remains a major challenge for cocoa farmers. Given that cocoa farming is predominantly a family-run business, the cost of additional labor and fertilizers often exceeds what these farmers can afford. This issue is not due to a lack of farming expertise, but rather stems from structural and economic barriers related to cost of production. Despite these challenges, our work, including a trial project with a major global partner at our Farm Services division, underscores the potential of pre-harvest interventions. By addressing the financial barriers, we can help cocoa farmers unlock the full potential of their farms.

Increased use of labor groups to increase cocoa yields

In addition to the application of soil fertilizers, proper cocoa tree pruning plays a vital role in enhancing

cocoa production. To support farmers in these labor-intensive tasks, Barry Callebaut launched the Labor Groups program in the 2021/22 season, in collaboration with key partners like Mondelēz International and Ben & Jerry's, and customers of the Cocoa Horizons Foundation.

By combining effective pruning with the use of fertilizers and good agronomic practices, cocoa trees can maximize fruit production, resulting in improved quality and higher yields. Labor groups provide farmers with critical assistance in areas such as pruning, weeding, pesticide application, and fertilizer management. This program also creates professional service providers by contracting local community members and cocoa farmers to form labor groups through farmer organizations. Equipped with essential tools and training, these groups not only provide essential support to farmers but also create additional



With the backing of our customers, labor group activities **increased significantly** in 2023/24. As a result, 43,631 (+125.8%) hectares were covered by programs to support farmers with labor groups.

income opportunities for local workers. With the backing of our customers, the program continued to expand significantly in 2023/24 covering all cocoa-producing regions in West Africa.

At Barry Callebaut, we are actively collaborating with our customers on various premium-paying programs. We are also making it easier for farmers receive their premiums. In 2023/24 we continued scaling our digital premium payment solutions across West Africa, Indonesia and South America. Digital premium payments benefit cocoa farmers by establishing credible proof of income and improving their access to financial services. Our digital payment program has also helped thousands of West African farmers to obtain a national ID by working with community and government authorities. In 2023/24, our digital payments initiative covered more than 60,000 cocoa farmers.

We are also a living income implementer, encouraging and supporting our customers to follow suit. For example, Barry Callebaut enables Tony's Open Chain as the cocoa processing partner and has implemented sustainability projects on the ground for Ben & Jerry's Living Income Program since 2016.

In addition, in 2023/24 we made efforts to enhance our purchasing practices. This included a review of our

contracts, particularly for cooperatives in Côte d'Ivoire that cater specifically to our customers, reflecting our customers' multi-year commitments. In Côte d'Ivoire, we have signed three-year contracts with 90% of the cooperatives from which Barry Callebaut directly sources.

Furthermore, in 2023/24 Barry Callebaut actively participated in the working group on pricing mechanisms under the Côte d'Ivoire-Ghana Cocoa Initiative (CIGCI) Economic Pact. Our aim is to shift the focus of discussion to the farm gate price, recognizing that higher farm gate prices can significantly contribute to poverty reduction. We believe that analyzing the appropriate mechanisms in a broader context of price construction, including the significance of farm gate prices and export prices, will have a considerable positive impact on farmers' incomes.

From providing training to offering support in implementation through our Farm Services business

Based on these insights and our direct engagement with farmers, in the past fiscal year, we continued to deploy our refined Farm Services business. We have shifted our focus from farmer training to providing more robust support for pre-harvest activities. To enhance cocoa farmers' quality yield per hectare, we now emphasize better soil management, such as the correct timing and amount of fertilizer application, financial support for third-party labor services, and access to improved planting materials.

It is essential to have an in-depth understanding of the conditions, challenges, and potential of the farms and farmers we work with. During the past fiscal year, we significantly expanded our extensive database by adding more farmers with full data. This means we have captured their socioeconomic and household information through census interviews and mapped the geographical location and size of their farms. Gathering this data helps us gain a more detailed picture of farmer profiles and a better understanding of their needs, allowing us to enhance our Farm Services business.

Our Farm Services specialists collaborate closely with farmers to assess their unique farm environments, including soil conditions, the age of cocoa trees, and the presence of other crops and livestock. They also evaluate the farmer's existing agricultural skills and resources. This thorough assessment allows us to develop tailored Farm Business Plans (FBPs) for each farmer, outlining a multi-year strategy to maximize the farm's potential income through optimal management.

Better soil management through subsidized fertilizer

Decreasing soil fertility and the suboptimal use of agrochemicals are associated with declining cocoa yields. We continued to support farmers with soil management techniques and productivity packages in 2023/24. Given the increased cost of fertilizers, we also continued to focus on subsidizing fertilizers for farmers in West Africa. Funded by Cocoa Horizons customers, a

total of almost CHF 1.1 million was allocated to such subsidies.

Providing improved planting material

Beyond offering pre-harvest labor assistance and optimizing soil management, the age and variety of cocoa trees are crucial factors in determining crop yields. To help rejuvenate cocoa farms, Barry Callebaut is committed to distributing more resilient, high-yield cocoa varieties, aimed at boosting long-term productivity. Seedlings are carefully bred for resistance against various pests and diseases that negatively impact cocoa production.

However, a resilient ecosystem for cocoa farms also requires a variety of other tree species. In the 2023/24 period, we distributed nearly 3.3 million non-cocoa trees, contributing to income diversification for farmers, while offering vital shade for cocoa seedlings, removing CO₂, and improving soil health and biodiversity. The benefits of sustainable cocoa cultivation through agroforestry, alongside our emphasis on long-term success through training, ongoing monitoring, and payments for ecosystem services (PES), are detailed further on page 33.

The relationship between farm size and income

In May 2023, we released a White Paper following six years of collaboration between Barry Callebaut, Agri-Logic, IDH, and Rainforest Alliance. It outlines actionable steps for transforming cocoa farming in Côte d'Ivoire and West Africa. By addressing key drivers of poverty reduction - yield, farm size, and price - the findings provided critical insights for refining our strategy to enhance farmers' income, boost cocoa yields, and safeguard surrounding forests. Our data analysis shows that a larger farm can significantly increase income by allowing for greater cocoa production, but only if coupled with adequate investment.

However, encouraging farmers to pursue long-term yield improvement activities (such as soil management and planting material) can be a challenge due to limited land tenure and tree rights. In contrast to many other countries, applying for land certificates in West Africa is often an expensive and time-consuming process. To help tackle this issue, we have cooperated with industry partners, donors and local implementers through the Côte d'Ivoire Land Partnership (CLAP) since 2019. Our joint efforts have resulted in the development of an upscaling model for land registration, granting farmers access to more affordable and faster land documentation. This initiative places significant emphasis on including marginalized groups and preventing land conflicts.

Systemic change together with all supply chain actors

Achieving a fully sustainable cocoa and chocolate sector requires commitment from all stakeholders in the supply chain. To enhance the implementation and impact of our Farm Services offerings, collaboration among sector-wide stakeholders and the public sector

is imperative in driving structural change and reducing poverty.

Government action at origin is essential to address the issues of traceability, rural infrastructure development and proper enforcement of national policies and legislation. These interventions must be coupled with regulatory interventions and sensitization in cocoa-consuming regions to drive demand for sustainably sourced cocoa.

This is why we are committed to mobilizing key stakeholders around a transformative cocoa farming model that generates a living income.

Land consolidation is needed to increase farm size and encourage higher levels of investment in farms. This effort must be accompanied by the creation of mainstream banking opportunities for farmers, facilitating investments in their farms, as well as the development of integrated agricultural policies that ensure adequate cocoa supply management, land titles for farmers, a registry for cocoa farmers and alternative livelihoods for cocoa farmers in protected forest areas. While the modernization of cocoa farming practices is imperative, the resulting increase in cocoa yield needs to be addressed by consolidating the number of cocoa farms. To facilitate this transition, these farm policies should also encourage the production of other essential agricultural goods that promote income diversification and alternative livelihoods for farmers. Lastly, it is crucial to optimize the pricing structure to maximize its impact on farmer incomes.

Only through a broad and coordinated mobilization of public and private actors will we be able to drive the change that is required in the cocoa supply chain.

Our measured impact

At Barry Callebaut, we are aiming for a consistent poverty reduction perspective, and a living income-enabling farming model towards 2030. The first step towards living income is to support the lifting of cocoa farmers out of poverty, measured against the International Poverty Line threshold.² However, achieving this is just the beginning. To measure our progress towards our target to have more than 500,000 cocoa farmers lifted out of poverty by 2025, we refer to the International Poverty Line definition of extreme poverty as a benchmark, which is USD 2.15/day, adjusted for purchasing power parity³.

Fiscal year 2023/24 presented a challenging landscape, with a combination of weather and climate factors resulting in a shortage of cocoa beans, subsequently driving bean prices to historic high levels. In response, the governments of Côte d'Ivoire and Ghana raised the farm-gate prices to CFA 1500 /kg and GHS 33.12 GHS/kg, respectively. While the farm-gate price increase was positive, the fact is, that cocoa farmers' incomes, particularly in West Africa, remain too low.

Our data⁴ shows that poverty reduction is driven by three key factors – yield, size of farm, and price. Price mechanisms can support an increase in farmer income, as illustrated this year with the increase in farm-gate prices.

However, it is also critical to highlight that overall, particularly in West Africa, which is the world's largest cocoa producing region, cocoa trees are aging and cocoa bean yield is decreasing. Increasing productivity is only possible with proper farm management practices, such as pruning cocoa trees, managing soil health, maintaining shade, and controlling pests, especially as farmers face tougher climatic conditions and heightened disease pressure.

This is why, in 2023/24, we have continued to expand our efforts in pre-harvest interventions, including the scaling up of [labor groups](#). Along with boosting yields, this work has also deepened our engagement with farmers, strengthening the partnership between Barry Callebaut and the farmers we source from. As a result, despite bean shortages, the volume of cocoa beans supplied by these farmer groups has remained stable.

It is important to note that our analysis shows that in the previous fiscal year (2022/23), around 40% of farmers in our supply chain were below the poverty line with USD 0 -1/per person/, per day, away from the poverty line baseline, while the other 60% of farmers, were below the poverty line by USD 1 - 3 USD/per person/, per day. On average, in Côte d'Ivoire, the amount in farm-gate price increase, provides farmers with an additional 0.78 USD per person per day, bringing the farmers placed below the poverty line in 2022/23, above it this year. Finally, we have also slightly revised our methodology for better alignment with the OECD Household Modified scale.

In 2023/24, measured against the International Poverty Line threshold of USD 2.15/day, we estimate 475,752 cocoa farmers in our supply chain are no longer in poverty, compared to prior year (+76.4%).

To support farmers in these labor-intensive tasks, Barry Callebaut launched the labor group program in 2021/22 season, and we have continued to expand on this work over the last two years. Supported by our customers, the number of labor groups grew significantly in 2023/24, with 43,631 hectares (+125.8%) now covered by labor group activities.

² World Bank Data Hub. Available from <https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines> (accessed October 16, 2024).

³ In 2023/24, we adjusted our calculations for purchasing power parity regardless, adding inflation on a yearly basis, currently applying a benchmark of \$2.67

⁴ According to the white paper "Farmer yield and income in Côte d'Ivoire, an analysis of Farmer Field Books (FFBs)", summarizing the key findings of six years of collaboration between Barry Callebaut, IDH, Rainforest Alliance and Agri-Logic with a focus on data collected during the cocoa agronomic season of 2021/22. Available from <https://www.barry-callebaut.com/en/barry-callebaut-agrilogic-white-paper#>

Prospering Farmers

KPI 2023/24

Our commitment to the UN SDGs



475,752

No. of farmers lifted above poverty line



594,608

No. of farmers in our sustainability program



197,763

No. of farmers who have received Farm Service activities



43,631

Hectares covered by programs to support farmers with paid labor groups



68,374

No. of farmers with a Productivity Package



13,592

No. of farmers who received cocoa seedlings

Human Rights



Our goal

By 2025, our **entire supply chain** will be covered by Human Rights Due Diligence, remediating all child labor cases identified. By 2030, the farming communities we source from will be empowered to **protect child rights**.

Introduction

The protection of human rights in the cocoa and chocolate supply chain needs to be strengthened. This is exemplified by the results of the 2019 [NORC report](#) documenting the overall prevalence of child labor in cocoa growing regions.

In line with the [United Nations Guiding Principles on Human Rights](#), due diligence implies not walking away from regions with human rights challenges, but being a part of the solution, assessing and remediating supply chain issues. Our vision is that all children are able to embrace opportunities and realize their full potential living in communities that are safe and self-reliant for all. Our actions go beyond addressing child labor, and focus on remediating all human rights issues in our supply chain. In addition to the roll-out of due diligence systems, we want to have the cocoa farming communities we source from empowered to protect child rights by 2030. Our philosophy is that by promoting local ownership and engagement of children, their families and the cocoa farming communities as a whole, we improve their overall well-being ensuring long-term viability of the community and contributing to an environment where children are able to realize their rights and full potential.

Our main asset for the implementation of these commitments are our more than 1,600 colleagues in cocoa origin countries. Through daily interaction, our field experts gain detailed insights into the human rights situations and potential risks in cocoa farming communities that allow us, when needed, to set up systems to remediate and prevent child labor and other human rights issues from occurring. For those commodities and inputs where we are not buying directly from the producers, we hold our suppliers accountable for implementing due diligence into their supply chains through our Supplier Code.

Our approach

Barry Callebaut recognizes that its business, programs and activities have an influence on the livelihoods of many people around the world, including children. Protection of and respect for every individual's rights are fundamental and need to be provided and safeguarded at all times. We strongly condemn forced labor, slavery and all practices that exploit adults or children, or expose them to harmful or hazardous conditions, and we are committed to combating all such practices.

Our Forever Chocolate commitments on human rights are dovetailed by design, preventing and mitigating human rights issues in our supply chain from occurring, and remediating any issues that have been identified. Our approach to the protection of human rights is two-fold. First, supply chain due diligence, via deployment of a human rights due diligence approach structured around the [OECD 6-steps](#). This is captured in our policies operationalizing our Forever Chocolate commitments on Human Rights: our Code of Conduct, Supplier Code, our Global Human Resources Policy, Global Policy Safeguarding Human Rights including the prevention of modern slavery and human trafficking, in our supply chain, and our Human Rights Strategy. Secondly, we apply a sustainable systems strengthening approach, guided by the principles of community ownership, participation and child centeredness.

Five components of the community systems approach

Outputs	Effectively functioning child protection systems	Improved community infrastructure	Improved access to quality education	Improved access to livelihood-strengthening tools	Expanded & effective multi-stakeholder collaboration
Activities	 <p>Child Protection Committee at community level Government mandated to prevent, assess, and remediate child rights violations effectively</p>	 <p>Community Action Plan and support of infrastructure addressing community development needs</p>	 <p>School-level activities supporting learning and child well-being in schools</p>	 <p>Livelihood strengthening tools Enhancing household assets, financial knowledge, and access to income, savings, and resources.</p>	 <p>Multi-stakeholder collaboration Active collaboration and engagement with local, national and international stakeholders</p>

Assessing and reporting human rights policy breaches

To ensure we live up to our human rights policies and commitments, Barry Callebaut has put in place two procedures to identify human rights risks and mitigate and remediate any breaches of our Human Rights policies, namely the Human Rights Impact Assessment and our Grievance Mechanism Procedure.

Human Rights Impact Assessment

Human Rights Impact Assessments were conducted for Indonesia in 2021/22 and for Ecuador, Brazil and West and Central Africa (Côte d'Ivoire, Ghana, Cameroon and Nigeria) in 2022/23. The Human Rights Impact Assessment (HRIA) is a process for identifying, understanding, assessing and addressing the adverse effects of a business undertaking or activities on the human rights of impacted rights-holders such as workers and community members. Rights-based and participatory approaches are crucial in Human Rights Impact Assessments (HRIA), putting the most vulnerable right-holders at the center of the assessment. The objective of the HRIAs is to identify the salient human rights issues in our supply chain and to develop an action plan to address them. The action plan provides recommendations for action by Barry Callebaut's subsidiaries in cocoa origin countries to mitigate, prevent and/or remediate human rights concerns. The HRIAs have resulted in human rights action plans that are currently being implemented in the different countries. We developed and improved our SOPs on human rights monitoring and response, we intensified our supplier engagement and broadened the human rights topics on which we conduct awareness raising. In Ecuador for example, the action plan implementation is focused on sensitization trainings, community activities and coaching based on social risk assessment, and is intended to further

improve ESG integration within our supply chain management. The HRIAs are updated every three to four years, when we evaluate the implementation progress of the action plans and conduct another HRIA and then update our action plan accordingly.

Grievance mechanism

In addition to the Human Rights Impact Assessments (HRIA) we conduct, we actively promote our bottom-up Grievance Management Procedure (GMP) in the cocoa origin countries where we operate. This GMP provides Barry Callebaut with a process for systematically receiving, investigating, and responding to complaints from rights holders and implementing remedial actions to resolve grievances.

A grievance can be raised by parties who have been affected themselves, such as workers or local communities; by an organization that represents the affected parties, such as a trade union; or by an independent organization, such as an NGO. Grievances within the scope of this process are related to issues on Human Rights, Environment (e.g. deforestation) or Governance (e.g. corruption/fraud).

All stakeholders can submit a grievance using any of the following channels:

- Toll-free telephone numbers (both anonymous or identifiable)
- Integrity Platform (a secure online platform for filing a report, anonymous or identifiable): [BC Integrity Line](#).

Barry Callebaut will ensure that the confidentiality of the information shared is maintained throughout the process. Complaints can be submitted anonymously. The GMP is embedded within Barry Callebaut and handled by a designated grievance management team. The Compliance department hosts the grievance platform and the Supply Chain Grievance Coordinator

is responsible for ensuring the adequate handling of incoming grievances and segregation of duties. The Chairman of the Board’s Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) is regularly informed about reported cases and compliance activities.

Suppliers

There are many commodities which we source through suppliers, rather than directly from farming communities. Considering that our Forever Chocolate targets are applicable to our entire supply chain, we request that all our suppliers have as a minimum, policies or commitments covering human rights based on the principles of the [United Nations Global Compact \(UNGC\)](#) or the core labor standards of the [International Labor Organization \(ILO\)](#). Furthermore, we also expect our suppliers to have separate policies or commitments in place regarding the prohibition of child labor and juvenile worker policy in accordance with ILO [Convention No. 182](#) on the Worst Forms of Child Labor and Minimum Age [Convention No. 138](#). Additional commodity-specific requests such as a grievance mechanism or a system to prevent underage labor are mandatory only for high risk commodities.

Strengthening communities

Child labor is a complex issue, particularly in cocoa-producing regions of West Africa, where poverty and limited access to education, healthcare, and basic services drive its prevalence. In these communities, poverty often forces parents to rely on child labor, perpetuating a cycle that limits children’s future opportunities.

Barry Callebaut aims to strengthen the protective environment for children in cocoa communities so they can enjoy their full rights and realize their full potential. To achieve this we apply a holistic community systems strengthening approach, targeting underlying enablers of child labor and other child protection issues. This means we engage children, parents, communities, and informal and formal child protection structures to strengthen the local child protection system - from Child Protection Committees (CPC), to teachers, Parent Teacher Associations (PTAs) and youth platforms in schools, to Village Saving and Loans Association (VSLA), child protection actors and NGOs.

As part of our commitment, we partnered with three international child rights organizations, namely [Right To Play](#), [Save the Children](#) and [Terre des hommes foundation](#). Together with our customers, we aim to address the complex socio-economic factors that drive child labor and other child rights violations, while supporting the implementation of our community-based approach in Côte d’Ivoire, Ghana, and Nigeria. Over the next three years, we will focus on delivering a comprehensive and integrated intervention effort. The projects combine community-led behavior change activities, child protection measures, education, and livelihood strengthening to foster sustainable change.

Our community-based approach helps community members to identify and address child rights violations within their own communities. By working with locally based representatives who understand the cultural context, we use a bottom-up strategy to foster long-term changes in behavior. Involving communities from the outset and building trust through respect, we aim to empower them to take an active role in driving sustainable change. All three projects promote child participation and gender sensitive approaches.

The communities targeted are selected using the Protective Community Index developed by the International Cocoa Initiative (ICI) assessing access to community services related to children’s fundamental rights, such as quality education and other community characteristics.

Systemic issues such as child labor in our supply chain require a systemic solution. Instead of focusing solely on identifying and remediating child labor, we support child protection systems strengthening efforts at the cocoa farming community level, an approach endorsed by UNICEF, to enhance child protection prevention and response, and prevent child labor in particular.



Savings from VSLA’s (Village Savings and Loans Associations), which are collective **community savings and credit schemes**, led and managed by cocoa farming communities, increased in 2023/24 to over CHF 3.5 million (+183.8%).

Our philosophy is to empower local communities to design their own, sustainable, long-term solutions to promote human rights and overall well-being, making farming communities less dependent on external support. To do so, we focus on several elements which build a human rights protective environment, including community-based Child Protection Committees (CPCs), improved access to quality education, improved community infrastructure (i.e. roads), improved livelihoods resources, improved multi-stakeholder engagement and community awareness-raising activities.

What does this look like in practice? Barry Callebaut helps to set up and support Child Protection Committees (CPCs) at community level. This can take the form of training, coaching of members, and the provision of equipment. CPCs are community-based committees that respond to children’s rights violations and work to prevent risks to children. The main

advantage of local CPCs is that they can assess and address child protection issues and promote child well-being in a way that respects cultural sensitivities and community context. CPCs play a central role in defining a Community Action Plan (CAP).

CPCs can identify a need for access to quality education and capacity building of teachers, in which case Barry Callebaut can then provide the necessary funding and building materials for school infrastructure, and support the professional development of teachers, including the training of teachers in child rights. To this effect we are an active participant in the Jacobs' Foundation Child Learning & Education Facility (CLEF). This coalition is dedicated to enhancing access to quality education in Ivorian cocoa growing regions by building school infrastructure, training teachers in effective pedagogical practices, and engaging parents in their children's learning. The coalition is led by the Ivorian Government in collaboration with the cocoa and chocolate industry and philanthropic foundations.

Furthermore, the CPCs can play a key role in establishing the required improvements in community infrastructure, i.e. health and sanitation, to which Barry Callebaut can contribute.

Barry Callebaut supports schemes to improve livelihood resources, such as the establishment of Village Savings and Loans Associations (VSLAs). VSLAs are collective community savings schemes through which participating members can access credit. We also support additional Income Generating Activities (IGAs) that help cocoa farmers to diversify their household income, i.e. by setting up small businesses and selling alternative crops at a local market.

To ensure that local communities have access to regional decision makers, Barry Callebaut helps them to establish and maintain relationships with government agencies for matters pertaining to, e.g., child protection, social protection, children and women's affairs, education and employment.

Finally, through in-person community meetings, workshops, and targeted communications in local language, we support awareness-raising activities at community level on human rights in general and children rights in particular.

Policy commitment, governance and management system

Comprehensive information on our human rights due diligence framework can be found in the due diligence section of this report, as well as our [Employee Code of Conduct](#), our [Supplier Code](#) and [Global Human Right Statement](#).

Barry Callebaut's Board of Directors has the overall responsibility for ensuring that Environmental, Social and Governance (ESG) related policies and strategies align with the long-term strategy and business model of the company.

Enhancing trainings

We have expanded our staff training program to include safeguarding practices. Partnering with Global

Safeguarding, a specialist safeguarding agency, we initiated comprehensive training and coaching for our staff at headquarters and in the countries where we source directly. This initiative aims to integrate safeguarding principles and processes into all areas of our work, with a focus on upholding the 'do no harm' principle. Additionally, it seeks to heighten the awareness of our sustainability and related teams, equipping them to address human rights and safeguarding concerns effectively. To date, 130 staff members who are working directly with communities or in our human rights teams, have completed the training, and 70 staff members have now been trained as trainers to champion safeguarding within our company.

Supporting our suppliers' due diligence processes

We continued to support our suppliers in setting up their human rights due diligence processes and we continued to set up and coach Human Rights Committees (HRCs) at the farmer group level. The HRCs oversee and manage the prevention, identification and remediation of human rights violations.

Child Labor Monitoring and Remediation System (CLMRS)

In 2023/24, whilst we continued to work on Child Labor Monitoring and Remediation Systems (CLMRS). In parallel, we also focussed on progressing our efforts on strengthening our supply chain and community child protection systems, while further expanding the implementation of our grievance mechanism and developing and testing new child-friendly monitoring tools. Through the existing CLMRS, we continued to monitor and identify cases of child labor within our cocoa supply chain in West Africa, following the industry standards developed by the International Cocoa Initiative (ICI).

We maintain close collaboration with ICI to remediate identified cases of child labor. Our remediation approach is multifaceted, focusing on education, social issues, and gender-related considerations. Key activities include the distribution of school kits and birth certificates - essential legal documents that safeguard children's rights and enable their access to education. Additionally, we provide training for families and communities on child labor awareness, and conduct regular follow-up visits to farmers' homes to ensure ongoing support.

Our measured impact

At Barry Callebaut, we are committed to continually assessing and refining our methodologies to drive meaningful impact. This fiscal year we focussed on three main priorities:

- 1) Focussing our impact on strategies to prevent and mitigate potential cases of child labor from happening in the first place.
- 2) Developing and testing of new child-friendly monitoring and reporting tools while maintaining our commitment to assess and address child labor risks in our supply chain.

3) Implementation of a refined approach to follow-up visits for cases under remediation.

In 2023/24 the percentage of farmer groups that are part of our direct supply chain and with whom we undertake child labor monitoring and remediation activities, increased in comparison to prior year. We also increased the number of communities covered by our children's rights campaigns.

In 2023/24, we identified 19,389 (-64.0%) cases of child labor. The total number of child labor cases identified has decreased this fiscal year due to the transitioning of our human rights strategy from an approach based on child labor monitoring via individual household member surveys, towards a child protection approach focused on prevention and response for which new tools and systems were developed and piloted in 2023/24 including farm observation surveys. Part of our revised approach is due to our emphasis on child safeguarding in our strategy and programming, and external advice from child rights and child protection experts to move away from one-on-one interviews with children as a way to collect data on child labor cases.

For the number of child labor cases under remediation in 2023/24 this number decreased to 41,190 (-37.2%). In addition, the number of existing cases under remediation, now considered remediated increased to 26,530 (+152.6%).

We evaluated the effectiveness of multiple follow-up visits compared to a single visit, and the subsequent

impact on the status 'remediated'. Among the 300,000+ surveys analyzed, we found that after the first follow-up visit, which takes place about six months after the remediation support activity, 33% of children were considered no longer engaged in child labor. However, this rate decreased to 9% after 12 months. Based on these findings, we concluded that when determining whether a child has been withdrawn from child labor, the follow-up visit conducted around 12 months after remediation support activity serves as a better indicator of a remediated child labor case. As a result, our reported results for remediated child labor cases in fiscal year 2023/24 are calculated based on the later follow-up data. In light of the above, we have also started piloting a one-visit versus two-visit approach at some of our operations in 2023/24. This final follow-up visit is conducted at least 12 to 18 months after the remediation support activity. The updated calculation methodology applies as of the fiscal year under review and will not be used for retrospective calculations. Ultimately, our goal is to continue refining our approach to mobilize more resources toward preventing and mitigating child labor and toward creating an environment where children are empowered and protected and aware of their rights and are active in shaping their community. We remain committed to creating greater impact on the ground, and sharing our progress and approach externally.

Human Rights

KPI 2023/24



91.0%

Percentage of farmer groups in our direct supply chain that have systems in place to prevent, monitor and remediate child labor



517,613

No. of farmers in farmer groups covered by CLMRS



19,389

No. of child labor cases identified



41,190

No. of child labor cases under remediation



26,530

No. of remediated child labor cases



2,070

No. of VSLAs established or functioning



CHF 3.6 million

Total amount saved through VSLAs



CHF 2.2 million

Total amount loaned through VSLAs

Our commitment to the UN SDGs



Thriving Nature



Our goal

By 2025, we will be **forest positive**. By 2030, we will have **decarbonized our footprint** in line with global efforts to cap global warming at 1.5 degrees Celsius. By 2050, we will be a **net zero company**.

Introduction

As a major buyer of agricultural raw materials, we have the responsibility, and the opportunity, to play an important role in curbing deforestation and reducing the carbon footprint of our operations. Widespread and rapid changes in the atmosphere, ocean, and biosphere is already upon us, resulting in widespread adverse impacts and inflicting losses and damages on nature and people. Accelerated transition towards net zero emissions is urgently required and at scale.

Overall, the challenges we face are largely driven by the impact of climate change and deforestation. Rising temperatures are impacting cocoa yields on existing farms, which leads farmers to expand into protected forest areas, leading to deforestation. Since the 1960s, 50% of cocoa expansion has been at the expense of forests.

Our approach

Fighting deforestation and reducing our carbon footprint are closely intertwined. Halting deforestation in cocoa-producing landscapes is modeled as one of the most impactful levers for bringing companies' climate trajectories into line with the Paris Climate Agreement. We have implemented forest protection interventions, essentially our "off-farm" approach, aimed at safeguarding these critical ecosystems. This is why we invest in long-term and large-scale initiatives geared towards forest protection. Equally important is our on-farm strategy of mitigating temperature increases through effective shade management via agroforestry, ensuring sustainable cocoa cultivation while preserving the environment.

Our carbon reduction targets will also be achieved through *insetting*, i.e. through the reduction of carbon emissions within our value chain, rather than compensation through *offsetting*. This approach aligns

strongly with the emission reduction trajectory of the Paris Climate Agreement, and will make us a net-zero company by 2050.

Through our emission reduction trajectory, we are striving to efficiently contribute to climate change mitigation efforts. We also recognize the need to go beyond our direct operations to reduce our footprint.

Addressing Deforestation

To become forest positive by 2025, Barry Callebaut needs to ensure that its supply chain is not associated with recent or ongoing deforestation. Our approach is structured around sourcing guiding principles, robust due diligence tools and forest protection.

CFI and EUDR

Our guiding principles for our sourcing activities help us to assess the risk of cocoa supply chains being connected to deforestation or farming practices in protected forest areas. We kicked off this work as a signatory to the 2017 Cocoa and Forests Initiative (CFI), a collaboration between the cocoa and chocolate industry and the Ghanaian and Ivorian governments. Under CFI, industry committed to map the farmers in Côte d'Ivoire and Ghana from whom it was sourcing directly to ensure no farmers located close to protected forest areas were included in the cocoa supply chain.

Inspired by initiatives such as CFI, in 2023, the European Union (EU) passed the EU Deforestation Regulation (EUDR). The objective of the regulation is to ban imports of a number of agricultural commodities, including cocoa, or products containing these commodities, into the EU if they do not meet EU deforestation-free standards.

Though addressing the requirements of the regulation is a highly challenging task, we can confidently build our compliance on the solid foundation of our ongoing

Forever Chocolate efforts towards deforestation-free supply chains.

Addressing traceability with the development of sourcing guiding principles

Our starting point is to ensure that sourcing decisions are made based on granular understanding of supply chain dynamics, and risks tied to deforestation, illegal farming practices and traceability shortcomings. Towards this end, we are focusing on in-depth country and sub-country analysis, evaluating current and future risks of conversion of forests to cocoa farmland. This analysis is combined with an assessment of our suppliers, and their traceability and purchasing practices. Complementary to this, we enforce traceability at farm-level, identifying farmers supplying us. We evaluate the size of their farms, and collect associated polygon maps, which we overlap with land use and land cover maps, as well as with information pertaining to tree-cover loss. Merging this data allows us to designate a high-, medium- or low-risk level for our sourcing areas and tailor our sourcing strategy and risk mitigation interventions accordingly. This approach applies both to direct and indirect supply chains.

Robust Due Diligence Tools

Our sourcing guiding principles rest upon a robust due diligence toolbox containing various protocols and tools to assess and mitigate risk in our supply chain. We rely for instance on satellite monitoring systems equipped with high-resolution imagery to detect forest disturbance in and around mapped plots in our supply chain.

We rely also on traceability tools, such as yield control, to adequately mitigate the risk of infiltration of deforestation-related cocoa into our supply chain. Given that most cocoa producing countries have significant yield variations from one region to the next and that the complexity of the supply chain allows for infiltration to happen at various stages, such as farm or farmer group levels, our yield control mechanism is evidence-based and regionalized to effectively address the risk of non-traceable cocoa being mixed with traceable cocoa. We embed yield control thresholds into our first mile traceability system, allowing for automatic mitigation of risk during the procurement stage.

Our Due Diligence toolbox also includes a Grievance Management Procedure, through which all stakeholders can voice concerns regarding the implementation of and compliance with our sourcing policies. Our responses to grievances will be tailored to the type of complaint, ranging from engagement with other stakeholders in our supply chain to support for rights holders and landscape-level action for remediation.

Forest Protection

The third key pillar in our approach is forest protection. Forest protection intervention is one of the most impactful strategies to reduce deforestation. It constitutes a differentiating factor in our approach. We

will engage in forest protection activities in landscapes where cocoa is at risk of being associated with deforestation. In Côte d'Ivoire we support initiatives focused on strengthening conservation efforts in the Cavally National Reserve and the Mont Péko National Park, in collaboration with Earthworm, IDH and the Ivorian Office for Parks and Reserves (OIPR).

Net zero

In fiscal year 2023/24 we finalized our [Net Zero Roadmap](#). The roadmap details our commitment to reducing our total emissions by 30% by 2029/30 (vs a 2021/22 base year) and be net zero by 2050. Our targets have been validated by the Science Based Targets Initiative (SBTi) to be aligned with the 1.5 degrees Celsius pathway of the Paris Agreement. As part of this effort, we have also updated our [Corporate Carbon Footprint methodology](#) to reflect the latest science and standards. To provide a like-for-like benchmark for our new targets, we have [restated our emissions for 2021/22 and 2022/23](#), subject to external independent limited assurance by PwC and aligned with our new [recalculation policy for GHG emissions](#).

Our roadmap was developed over a more than six-month period with the support of Quantis based on the latest scientific knowledge and broadly accepted standards. Multiple internal and external stakeholders and experts were involved in the collaborative process, consisting of multiple workshops, action reduction potential modeling, and action selection and revision, after which the roadmap was approved by our Executive Team and validated by the SBTi.

We have long-standing customer partnerships in which we are working to decarbonize cocoa. With our net zero chocolate solutions, we are now offering fully integrated, end-to-end decarbonization programs, covering all relevant elements of chocolate products, including dairy and other non-cocoa ingredients, transportation, manufacturing and recipes.

Digital initiatives to support transparent and traceable supply chain volumes

Supporting our commitment to transparent and traceable supply chains, we launched a new digital initiative in 2023/24: bag traceability in Ghana. This system ensures full traceability from farmer to factory, and each step in the supply chain is digitized. By scanning a barcode attached to every cocoa bag, every movement is recorded, allowing us to track the precise location of every bag on its journey, as well as the entire upstream process.

In addition, we also collaborate with other partners to establish digital infrastructures to support data collection, storage and retrieval for some of the other raw materials we indirectly source. Our partnership with [ruumi](#) specifically focuses on the ongoing impact of climate-smart practices on dairy farms, specializing in farm data collection, quantification, and monitoring of greenhouse gas impact. Together, we are developing a standard and digital infrastructure to ensure sustainable sourcing from our dairy suppliers across Europe. By collecting primary farm-level data and following SBTi-FLAG (Forest, Land and Agriculture)

and [GHG-P LSRG guidance](#), we can conduct accurate analyses of farm practices, identify data gaps, and supplement existing information. Additionally, we have partnered with technical experts to implement sustainable, low carbon palm oil sourcing in Malaysia and Indonesia. These concerted efforts reinforce our commitment to transparency, verification, and sustainable development throughout our entire supply chain.

How are we aiming to become net zero?

To reach our ambitious targets, more than 30 actions across five hotspot areas were modeled in a cost-benefit analysis. We are planning to focus on the following areas, which offer high reduction potential:

- Scope 1&2: renewable electricity for our own production sites, process innovation for lower carbon production and products, low carbon transport. By 2029/30, Scope 1&2 emissions will have a target reduction of 42%.
- Scope 3: not related to Forest Land & Agriculture (FLAG): low carbon transport, supplier engagement (mainly ingredients processing). These Scope 3 Non-FLAG emissions will be reduced by 25% until 2029/30.
- Scope 3 FLAG-relevant: agroforestry (cocoa), EUDR & forest positive (multiple ingredients), low-carbon interventions for dairy (our second biggest source of FLAG GHG emissions after cocoa) and other agricultural crops, innovation and R&D. We target to reduce our Scope 3 FLAG emissions by 30.3% by 2030.

Aligned with SBTi standards, we intend to achieve our 2030 targets solely through reductions and removals within our value chain. In order to become net zero by 2050, consolidated across all scopes, we aim to decarbonize our footprint by 75% (Scope 1&2: -90%, Scope 3 Non-FLAG: -90%, Scope 3 FLAG: -72%). Remaining emissions will be neutralized by additional removals, which could also happen outside our value chain, e.g. through reforestation projects that are not linked to the farming of cocoa or chocolate ingredients.

For more information, please refer to our [Net Zero Roadmap](#).

Enhancing on-farm ecosystems with agroforestry

Through our agroforestry effort, we aim to mitigate the impact of climate change and restore biodiversity while helping farmers to prosper and increase their long-term productivity. At the same time our agroforestry insetting approach also allows for the removal of carbon within our own supply chains and those of our customers.

Agroforestry is a technique that helps farmers to develop cocoa farms that are more resilient to drought and diseases, have better soil quality, produce better and higher yields, and that can provide them with additional sources of income.

Cocoa grown under shade trees is also linked to increased biodiversity, carbon removals, and improved

soil structure. In collaboration with local experts and based on the latest scientific findings for each origin, we determine the best mix of forest and fruit tree species to promote cocoa and soil regeneration and attract pollinators, while providing extra income for farmers and removing carbon.

Our intensified agroforestry approach, launched in 2022 in Ghana and Côte d'Ivoire, is focused on long-term success through training, extended monitoring and payments for ecosystem services (PES). PES means that farmers get paid on a yearly basis for the survival of the planted trees as a reward for carbon removals.



Our agroforestry approach supports mitigation of climate change, restoration of biodiversity, and boosts farmers' long-term productivity.

Agroforestry also removes carbon from our and our customers' supply chains. This year, the number of hectares covered by agroforestry was 33,795 hectares (+87.1%).

Besides the additional money from the PES, the fruit and timber trees planted among the cocoa trees allow the farmers to further diversify their income.

Our agroforestry approach is a farmer-centric, long-term program building on trust and loyalty. In the first year, farmers are sensitized on agroforestry, receive farm diagnostics, planting design support, seedling kits and technical training. The following year, replacement seedlings are distributed if needed, and technical coaching continues with a focus on pruning assistance. Additionally, we are actively exploring natural tree regeneration approaches, providing support for the growth or, if necessary, replanting of existing seedlings on farms. The first payment for ecosystem services based on seedling performance is also rendered. These activities continue in the following years and are accompanied by land tenure interventions. Land rights are essential to ensure a living income for farmers and sustainable cocoa production practices. Having formal rights to the land they farm allows farmers to safely invest in their land in order to secure their livelihoods. Our approach also aims to support farmers in bringing the fruits and other products they produce through agroforestry programs to the market.

In 2023/24, in partnership with the Cocoa Horizons Foundation and major customers, we extended the

area covered by our intensified agroforestry approach **with a focus on long-term success through training, extended monitoring and payment for ecosystem services.**

Payments for Ecosystem Services

We added 33,795 hectares (+87.1%) to our PES program and provided PES on 48,348 previously established hectares in the fiscal year under review. In Côte d'Ivoire and Ghana, we processed our PES digitally for the first time, utilizing the convenience of mobile money services. To be able to scale our approach very rapidly, implementation was done both in-house as well as through two external providers. We aim to add additional origins to our PES agroforestry model. In 2023/24, we conducted design phases in Brazil and Indonesia and feasibility studies are planned for Cameroon and Ecuador. Last fiscal year, we signed a long-term agroforestry insetting project with Nestlé, rolling out 11,500 hectares of agroforestry to more than 6,000 farmers in Côte d'Ivoire. This joint partnership supports Nestlé's and Barry Callebaut's climate-smart cocoa ambitions by aiming to remove up to 1.3 million tonnes of CO₂e over 25 years. In addition we are also developing an agroforestry insetting solution for smaller clients.

We aim to sustain the fast growth of our intensified agroforestry approach in the coming fiscal year, focusing on tree growth and survival to maximize permanent carbon removals and climate resilience on cocoa farms while at the same time diversifying farmer income and supporting livelihood improvement.

Creation of a sustainability volumes database

In 2023/24 we added detailed information about our suppliers' sustainability rankings and the carbon footprints of their products to our comprehensive sustainability volumes database.

The data is categorized according to emission sources, aligning with [FLAG-SBTi guidelines](#), ensuring comparability across the entire supply chain. This data-driven approach allows us to devise a reduction strategy and monitor progress towards emission reductions by replacing non-traceable volumes with transparent, traceable, and fully verifiable volumes. We prioritize suppliers with a strong climate performance.

Innovations in energy efficiency and renewables

Cutting emissions begins by improving the energy efficiency of our operations and changing the sources of energy that we use.

In 2023/24, we continued our program to maximize onsite renewable electricity production. New solar installations at three sites - Tema, Ghana, and Halle and Malle, Belgium - were commissioned, providing nearly 15% of the electricity needed at these locations through renewable sources. In our plant in Tema, we have installed a 640 KWp solar PV plant, marking another step on our ambitious pathway to becoming a net zero company. This solar power project also supports Ghana's objective to raise the renewable share of its electricity mix to 10% by 2030. Additionally, we made significant progress in transitioning to renewable

electricity contracts, particularly at our Latin American sites.

Our efforts to move away from fossil fuels included the roll-out of heat pumps in our chocolate factories, which resulted in significant installations in Suzhou, China, and Senoko, Singapore. These new heat pumps have reduced onsite natural gas consumption by more than 80%, leading to substantial CO₂ emissions reductions. A key pillar of our decarbonization strategy is energy efficiency. We invested in projects such as tank agitation reduction and flash steam recovery, while also implementing tighter operational controls on our process equipment to reduce overall energy use.

In logistics, a major highlight was the electrification of the transport lane between our large Belgian manufacturing site in Wieze and the distribution center in Lokeren. Three trucks and their temperature-controlled trailers will be 100% electric, a first in our global fleet. The trucks will be recharged during unloading, enabling us to charge quickly and efficiently and continue our 24/7 shuttle service without any disruptions. By switching from diesel trucks to electric heavy-duty vehicles powered by onsite solar installations at the Global Distribution Center, we reduced our reliance on fossil fuels for intercompany transport and enabled zero-emission transport between the two sites.

On top of the large number of efficiency initiatives executed by our operations teams, we are progressively replacing fossil fuels with green electricity wherever possible. In 2023/24, we increased our renewable energy consumption and 39 of the company's 62 factories are now sourcing 100% renewable electricity. Overall, 76% of our electricity comes from renewable sources, compared to 69% in prior year. Looking at the overall energy (electricity and gas) used in our factories, over 49% comes from renewable sources.

Additionally, we expanded existing solar farms in several factories, further bolstering the percentage of electricity generated from solar power. Lastly, we have introduced our first fleet of electric trucks to transport our products to customers in Switzerland.

Our measured impact

In 2023/24 our net carbon footprint was 13.0 million tCO₂e, which is a -1.4% decrease in comparison to our previous year's reported footprint. This decrease is mainly due to the strong performance of our agroforestry program. At the same time we managed to reduce our GHG emissions through increased use of renewable energy in our factories and improved sourcing practices. As a result, our net carbon intensity for 2023/24 decreased from 5.79 tCO₂e to 5.71 tCO₂e (-1.4%) per tonne of product. Since our new SBTi base year in 2021/22, we have reduced our net carbon intensity by -5.6% and absolute net emissions by -6.8%. This year, we strongly increased our agroforestry insetting, resulting in Scope 3 removals of -388,433 tCO₂e (+67.9%), independently verified by [SustainCERT](#). This excludes a 20% withholding buffer, safeguarding against potential unforeseen losses of

planted trees under our agroforestry activities. Key to our future removal success is increasing support from our customers for our sustainable net zero chocolate solutions.

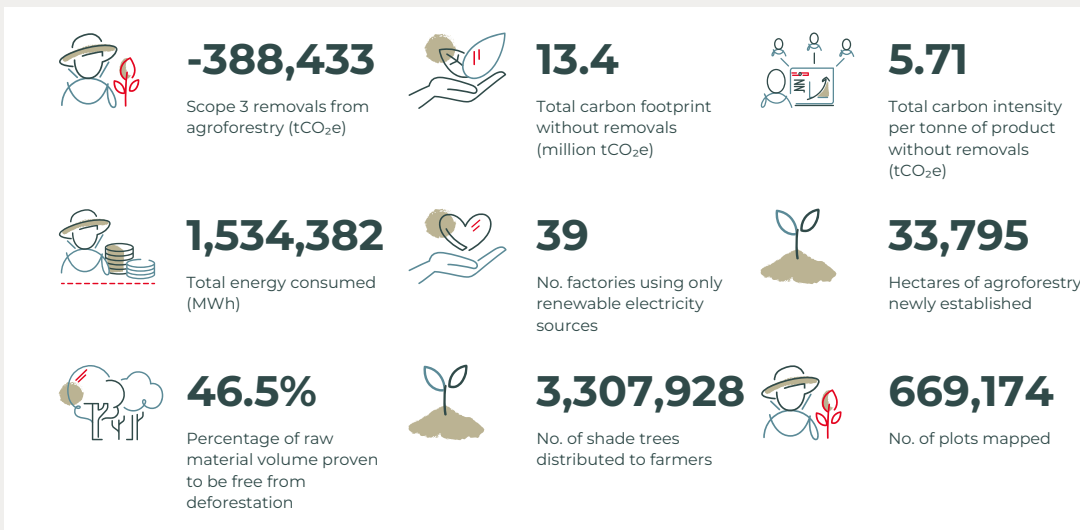
In 2023/24 we distributed almost 6.6 million trees, of which 3.3 million were non-cocoa trees for agroforestry projects and 3.2 million cocoa seedlings.

The percentage of sourced raw materials demonstrated not to be contributing to deforestation was 46.5% in 2023/24 compared to 34.1% the previous year. Specifically, 78.0% of directly sourced cocoa and 33.4% of sourced non-cocoa raw materials are demonstrated not to be contributing to deforestation. This increase highlights our continued effort towards fully traceable supply chains, as well as the significant expansion our forest monitoring scope to align with upcoming regulations, such as the EUDR.

For the remainder of our volumes, this does not imply that the volume is associated with deforestation, but rather that for the remaining volume, we did not yet implement the traceability and/or deforestation monitoring across all sources. This year, we mapped 669,174 of cocoa plots in our supply chain, and increased our collaboration with suppliers across our indirect supply chain to further improve traceability implementation.

Thriving Nature

KPI 2023/24



Our commitment to the UN SDGs



Sustainable Ingredients



SUSTAINABLE INGREDIENTS

Our goal

By 2030, we will have **100% certified** or **verified** cocoa and ingredients in all of our products, **traceable** to farm level.

Introduction

In addition to cocoa products, Barry Callebaut sources other ingredients such as sugar, dairy, palm oil, nuts, vanilla and many others. These ingredients represent approximately 50% of our total raw material volume. By 2030 we have committed to have 100% certified or verified cocoa and ingredients in all of our products, traceable to farm level. This includes the identification and development of tailor-made sustainability solutions, taking into account each ingredient’s complex supply chain and origin.

In order to reach our ambitious target, we operate on different levels: directly with suppliers through direct projects and on the other hand at industry level through industry collaborations projects. In order to advance sustainability at all levels, it is crucial to act through supply chain intervention projects with our direct and indirect suppliers as well as at industry level to make sure the impact is scalable and that the ensuing benefits go beyond our own supply chain. Whenever possible, Barry Callebaut tries to collaborate directly with suppliers to drive farm level projects. We are involved in multiple farm level projects supporting farmer livelihoods, good agricultural practices and good governance such as in sugar, dairy, palm, coconut oil, nuts and vanilla. At the same time Barry Callebaut acknowledges the power of collective action by participating actively as a member or even steer-co member in various industry platforms, ingredient standards and other industry working groups. We have written our vision and ambition for each natural raw material we source in our separate [sustainable ingredient sourcing policy](#), which we expect every supplier in our supply chain to sign prior being onboarded, thus confirming and sharing our vision for a sustainable ingredient supply chain.

The EUDR is, apart from cocoa, particularly applicable to the palm oil volume we source for the EU market from origin refineries. We have formalized our Forest Positive Strategy for palm, which also enhances our

due diligence approach for palm oil destined for the EU. For all the palm oil that we source, we assess annually the risks of current and future illegal conversion of forests to palm oil plantations at country and regional level. In addition we assess annually the risk of non-compliance at supplier level. Furthermore, we assess, prior to sourcing, the level of compliance of the relevant volume prior to purchasing.

In practice this means that we ensure that the palm oil we source from suppliers includes geolocation data of all the plots they are sourcing from. Furthermore, we support efforts to reduce deforestation via landscape projects, such as Sustain Kutim.

Cocoa

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 while addressing customer needs.

The Cocoa Horizons Foundation was established by Barry Callebaut in 2015 with the mission of improving the livelihoods of cocoa farmers and their communities through the promotion of sustainable, entrepreneurial farming practices, improved productivity, and community development programs that protect nature and children. Premiums from the purchase of HORIZONS cocoa products generated CHF 43.5 million in funds. Today, Cocoa Horizons supports 356,011 cocoa producers across seven countries.

In 2023/24, based on the learnings and insights from past years and aligned with our Forever Chocolate strategy, Cocoa Horizons sharpened its targets and approach to broaden its scope, drive more impact, and set ambitions beyond 2025.

The focus remains on activities proven to have the greatest impact, driven by data, research, and past experiences. For a comprehensive overview of Cocoa

Horizons activities, please refer to the latest [Cocoa Horizons Progress Report](#).

Palm oil

For palm oil, we continue to focus on the implementation of our [No Deforestation, No Peat and No Exploitation \(NDPE\) Policy](#). In 2023/24, we maintained our partnership with [Earthqualizer](#) to have our mill list verified and reached 99.7% traceability to mill (TTM). We will continue to work with our direct suppliers to ensure we can obtain mill-level traceability to close the remaining gap. Obtaining Traceability to Plantation (TTP) data remains a challenging task. We currently collect information on the percentage of palm oil that is traceable to plantation and in 2023/24, achieved a TTP score of 87.0%.

We continue to use [Palmoil.io](#)'s "Estimated Traceability to Plantation (eTTP)" model to monitor deforestation and supply chain relationships in near real-time, from plantation to refinery. We receive monthly reports with deforestation and grievance monitoring alerts, providing us with actionable insights into potential regulatory and NDPE violations.

We used [Earthworm Foundation](#)'s Engagement for Policy Implementation (EPI) tool to gather crucial information about our suppliers' NDPE commitments, traceability status, grievance procedures, social and environmental programs, as well as monitoring and verification activities. Through EPI, we have engaged twelve of our direct suppliers, covering 91% of volumes. Our suppliers range in size and scope from global traders to regional and national refiners, which results in a wide range of performance levels. The following tables show the summary results of our suppliers' EPI and Level 1 and Level 2 progress tracking.

Supplier Progress on Level 1 Scorecard: Average Scores

Level 1 Elements	2023 Average Score
NDPE Policy Elements	100 %
Level of Policy Application	75 %
Mill List published	92 %
Implementation Plan	71 %
Progress Reporting	100 %
Grievance Mechanism	75 %
NCS Process	79 %
2023 Supplier Progress to Level 1	84 %

Supplier Progress on Level 2 Scorecard: Average Scores

Level 1 Elements	2023 Average Score
NDPE Policy Elements	69 %
Supplier Implementation Program	65 %
Supplier Landscape and Sectoral Initiatives	50 %
Supplier Grievance and NCS	61 %
Supplier Monitoring and Verification	48 %
Traceability	60 %
2023 Supplier Progress to Level 2	59 %

Following each annual EPI assessment we engage with our suppliers on the results and the development

of action plans to close identified gaps. We will update supplier progress annually against the above metrics.

We also collected [NDPE IRF](#) (Implementation Reporting Framework) profiles from our direct suppliers. The NDPE IRF provides a comprehensive overview of progress regarding our NDPE commitments across our entire supply base.

As for the "no exploitation component" of the IRF, we continue to support and align with the industry-wide adopted approach currently being developed through the Palm Oil Collaboration Group (POCG).

Addressing key challenges in our palm oil supply chain requires collaboration with other stakeholders. We continue to participate in relevant industry initiatives including the POCG and the [Singapore Alliance for Sustainable Palm Oil \(SASPO\)](#). We have also been a member of the RSPO since 2011 and continue to support the production and sourcing of RSPO-certified palm oil.

Barry Callebaut partnered with [Proforest](#), [Deutsche Gesellschaft für Internationale Zusammenarbeit \(GIZ\)](#) and Tanah Air Lestari (TAL) alongside other companies to invest in [Sustain Kutim](#), a sustainable landscape initiative in Kutai Timur, Indonesia. Introduced in 2023, Sustain Kutim aims to strengthen the capacity of the East Kutai District Government, local communities, smallholders, workers, and plantation companies to cooperate in achieving a sustainably managed landscape. More information on this project can be found in the [Thriving Nature](#) section of this report.

Sugar and sweeteners

Beet sugar

At Barry Callebaut, we actively participate in the Sustainable Agriculture Initiative (SAI). As a member of the Crops working group and the Beet Sugar Project, we strive to ensure the sustainability of our beet sugar suppliers. Through benchmarking and monitoring, we expect our suppliers to meet at least the silver-level requirements of the SAI Farm Sustainability Assessment (FSA). Together with the SAI, we collaborate with local suppliers in different regions, encouraging them to embrace sustainable beet sugar production practices and subsequent verification audits.

Our focus areas include optimizing pesticide and fertilizer usage, maintaining soil health for greater agricultural efficiency, protecting carbon sinks, and optimizing energy usage. In 2022/23 Barry Callebaut partnered with the largest beet sugar producer in Serbia, successfully converting it to sustainable beet sugar, making it the country's first certified sustainable source of beet sugar. In 2023/24 Barry Callebaut extended the project to a second sugar beet supplier who is currently undergoing the FSA 3.0 verification audit. Through the FSA 3.0 verification audit, the beet sugar producer Sunoko achieved silver and gold level accreditation.

Cane sugar

We work closely with suppliers and partners to drive advancements in our sugarcane supply chains. Our

goal is to create value and address critical risks while ensuring the sustainability of our cane sugar. We achieve this through verification by [Bonsucro](#), having endorsed its sustainable sugarcane initiative in 2017. During the fiscal year, we continued our collaboration with a Mexican supplier, three industry peers, and [Proforest](#) to implement responsible recruitment practices and regenerative agriculture. This resulted in the discontinuation of burning practices, the establishment of reforestation plans and the use of natural fertilizers instead of synthetic fertilizers. Building upon this success, we plan to expand our approach to several more suppliers in Mexico. Additionally, in partnership with Solidaridad, we are actively engaged in efforts to enhance the yield of cane growers through improved planting management techniques and the implementation of other beneficial agricultural practices. Our collaboration with producer Grupo Pantaléon on efficient and sustainable improvement in sugar cane production in Mexico was nominated for the [Bonsucro Inspire Awards](#) for its transformative approach at the annual Bonsucro Global Week in May 2024.

On an industry level, we are part of the Bonsucro governance institution by participating in the Members' Council where we actively participate in and contribute to shaping the world's leading sugarcane standards and clearing the way for new criteria to meet the requirements of environmental and social regulations.

In addition, Barry Callebaut is also a founding partner of the collaborative project led by Proforest in Brazil and Bonsucro called [Human Rights Due Diligence Toolkit](#) for Sugarcane: guidance and tools for mills to respect human rights in their supply chain.

Barry Callebaut is a founding member of the newly created Sugar Collaboration Group (SCG). The SCG aims to provide an inclusive and pre-competitive space in the sugar sector for companies to come together to discuss key issues and topics, align on tools and approaches to address challenges, and improve collaboration and knowledge sharing in the sector. The work of the SCG complements Barry Callebaut's various projects and existing sector sustainability schemes and seeks to raise the baseline of the sector. In addition, we are also working with the International Finance Corporation (IFC) to offer low interest loans for investment to cane sugar suppliers in return for Bonsucro certification.

Our cane sugar volume is Bonsucro and Fairtrade certified. It is mass balance, meaning that we can trace our volume back to mill level.

Sweeteners

Sweeteners used in Barry Callebaut's production can stem from a variety of agricultural products such as corn, wheat, potatoes or cassava. While sustainability challenges can vary from starting product and region, we recognize sustainability standards such as FSA 3.0 by SAI Platform and ISCC+ that are applicable to all these crops. As some of our direct suppliers are several tiers removed from the farm, we not only expect FSA

3.0 verification on farm, we also expect our tier 1 suppliers to undergo a verification audit proving their internal management system (IMS) allows for correct mass balance and traceability of the sustainable raw material volumes. As some of the crops for Sweeteners production are grown and produced in China, Barry Callebaut partnered with Bella Terra Consulting, the authorized representative of the SAI platform in China, to identify, onboard and train potential farmer groups and suppliers in China. In 2023/24, for the first time ever, a farmer group including the subsequent starch and sweeteners producer were audited and awarded FSA 3.0 silver, making it the first sustainable Sweetener from China. Barry Callebaut is now exploring other sources in China to eventually extend this successful project.

Dairy

Dairy products are a key ingredient in many of our chocolate products and they are also one of the major contributors to our corporate greenhouse gas (GHG) emissions footprint. Our [VisionDairy](#) Charter focuses on 15 principles for sustainability in dairy farming covering animal welfare, farm governance and the environment. Barry Callebaut has been partnering with Dairy experts from [FAI Farms](#) since 2016 with respect to its VisionDairy Charter. Together with FAI Farms, we will continue to work on adjusting the Charter and benchmarking it to other industry standards and national dairy programs. In the past fiscal year we had more suppliers approved under our Vision Dairy charter, making a record high 75% of our global dairy volume sustainable. Dairy FLAG emissions represent over one-third of Barry Callebaut's footprint.

Barry Callebaut is also supporting dairy farmers through partnerships with dairy processors in different global regions. In Switzerland, Barry Callebaut's also partnered up with the largest dairy cooperative, [Mooch](#), which is working directly with dairy farmers to commit to higher animal welfare standards, additional biodiversity measures and other GHG efforts.

In addition, Barry Callebaut is also pushing for sustainable dairy practices at industry level through the [Dairy Working Group \(DWG\)](#) and [Sustainable Dairy Partnership \(SDP\)](#). Barry Callebaut is a Steering Committee member of this partnership and an active contributor in various working groups working towards aligned standards in the dairy industry. Furthermore, Barry Callebaut is actively pushing the ongoing development of the SDP standard itself to meet increasing regulatory requirements. Barry Callebaut encourages suppliers to adopt and comply with this industry standard for more efficient and aligned reporting. Where this is not the case, Barry Callebaut uses its own VisionDairy Framework to obtain a better understanding and benchmarking of the suppliers in question.

Coconut oil

Barry Callebaut is one of the founding members of the Sustainable Coconut Charter, which became the [Sustainable Coconut Partnership](#) in 2023, an industry-led multi stakeholder platform defining what a

sustainable coconut supply chain should look like. The Sustainable Coconut Partnership sets the criteria for coconut oil sustainability and outlines focus areas, principles and sustainability program goals and outcomes in coconut supply chains. This includes improving smallholder farmers' income and livelihoods, enhancing supply chain traceability, preventing deforestation and mitigating climate change.

This is also the reason why Barry Callebaut partnered with [Grameen Foundation](#) in 2022 and founded the sustainable coconut project in Davao, the Philippines. The project works directly with farmers and cooperatives on capacity building and linking them to oil mills to create a sustainable and traceable supply chain. Farmers are digitally registered and volumes are digitally tracked. In addition, farmers as well as cooperatives receive trainings on good agricultural practices and good business practices through volunteers from [Bankers without Borders](#) (BWB). Barry Callebaut is also supporting the production of high quality coconut oil to lower the risk of mineral oil contamination (Mosh Moah). As such, Barry Callebaut supported the construction of large-scale copra dryers at cooperative levels to allow a controlled and centralized drying of the copra, resulting in better quality. Due to excellent performance and progress, four out of the twelve Cooperatives received additional funding and support through Rabobank. This year for the first time, we have achieved 28% sustainable sourced coconut oil in Europe thanks to this project. Coconut oil is transported mass balance, meaning that coconut oil volume is traceable to the group of farms that produced a shipment.

Vanilla

In our pursuit of industry-wide change, Barry Callebaut is actively engaged in the [Sustainable Vanilla Initiative](#) (SVI). Through our collective endeavors we strive to create a more sustainable and prosperous future for vanilla farmers.

To secure sustainable vanilla supply, Barry Callebaut partnered up with flavor producer [Prova](#) in 2016, with financial support from IDH, to engage in an [on-the-ground project in Madagascar](#). The joint project, named VDB (Vanille Durable Bemanevika), aims to improve farmers' livelihoods and secure a sustainable supply of vanilla by overcoming challenges linked to agriculture and market volatility, all guided by Barry Callebaut's Sustainable Vanilla Charter. VDB activities are grouped around four pillars: vanilla, cocoa, social and environment. The project currently involves 727 vanilla farmers spanning 16 villages across Madagascar. A key pillar of the project is income diversification: Vanilla farmers received cocoa tree seedlings and now approximately 25% of the participating farmers are involved in cocoa cultivation alongside vanilla. The increase in cocoa production led to the construction of a second cocoa fermentation center this year, enabling farmers to ferment their beans centrally. In order to address environmental concerns in the long term, VDB partnered up with a local NGO called Missouri Botanical Garden working on reforestation and

agroforestry training. The project also maintains vegetable and fruit gardens at local schools and organized this year a green competition between some local schools to further raise community awareness.

Nuts

At Barry Callebaut, we use a variety of nuts such as hazelnuts, almonds, pistachios and peanuts from different origins all around the globe. Wherever we source nuts, we advocate the implementation of sustainable production practices either via impactful projects, verification programs such as FSA by SAI Platform or certifications like Rainforest Alliance for hazelnuts, and, Bee Friendly for almonds or organic volumes.

Hazelnuts

With Turkey accounting for about 75% of global hazelnut production, it is imperative for Barry Callebaut to be active member of sustainable hazelnut production. At the industry level, we have joined the multi-commodity project called Harvesting the Future led by the [Fair Labour Association](#) to enhance hazelnut sustainability in Turkey. Alongside our suppliers, we are promoting a capacity-building project that includes farm-level monitoring and child protection.

In addition to this industry collaboration, Barry Callebaut is also developing its own sustainable sourcing criteria focusing on the primary risks of the Turkish hazelnut supply chain. In collaboration with consultancy [SureHarvest](#), we are establishing a verifiable sustainable Hazelnut Charter to raise regional sustainability standards within our own supply chain. The charter has been successfully audited at one of our hazelnut suppliers in Turkey and is in the process of being finalized.

In Spain, La Morella Nuts, part of the Barry Callebaut Group, has developed [Nature to Nuts](#), a sustainability program focusing on the challenges related to nut farming in Spain. It consists of the three pillars of safeguarding water and irrigation, fostering biodiversity and preserving nut farm craftsmanship, with the aim of supporting local production.

Almonds

Barry Callebaut has made progress in implementing Bee Friendly certification, which aims to promote pollinator-friendly products and production systems, specifically in relation to almonds. This commitment has increased the production of Bee Friendly certified almonds, strengthening the bonds between almond farmers and beekeepers. Our gourmet brand, Cacao Barry, continues to lead the way in environmental sustainability by being the sole brand in the confectionery industry so far to have received this European certification, which prioritizes pollinator well-being. In the US, Barry Callebaut accepted the Californian Almond Stewardship Platform, led by the Almond Board of California, as a sustainable production standard after having achieved SAI gold equivalency.

Our measured impact

Turning our customers' sustainability commitments into reality is our goal as the industry partner for sustainable solutions. Greater consumer awareness of sustainability issues has led to growing demand for sustainable and traceable cocoa products. However, given the cocoa bean price volatility over the past year, we observed a temporary deviation from this trend. While some customers deprioritized sustainable solutions and explored alternative chocolate solutions, we expect this to be temporary given the strong demand from the end-consumer for sustainable products.

In 2023/24, combining all ingredients, including cocoa, we sourced 56.2% (in prior year 59.6%) of our ingredients from certified or verified sources. In addition, we sourced globally, 82.0% (in prior year 80.3%) of our ingredients, excluding cocoa, from certified or verified sources.

In 2023/24, the percentage of cocoa and chocolate products sold containing 100% sustainable cocoa or chocolate was 55.5% compared to 51.5% in prior year.

Sustainable Ingredients

KPI 2023/24

Our commitment to the UN SDGs



83.0%

Percentage of plots mapped within our direct cocoa supply chain



56.2%

Percentage of certified or verified agricultural raw materials sourced



55.5%

Percentage of cocoa and chocolate products sold that contain certified or verified cocoa



594,608

No. of farmers in our sustainability program



15.0%

Percentage of women farmers in sustainability programs

Progress in Numbers

Prospering Farmers

KPI	2023/24	2022/23	Variations
# farmers above the WB International Poverty Line of US\$2.15/day	475,752	269,762 ⁵	76.4 %
# ha covered by programs to support farmers with paid labor groups	43,631	19,326	125.8 %
# farmers who received cocoa seedlings	13,592	19,760	(31.2)%
# farmers with a Productivity Package	68,374	63,155	8.3 %
# farmers who have received Farm Service activities	197,763	169,981	16.3 %

Human Rights

% farmer groups in our direct supply chain covered by child labor monitoring and/or remediation activities	91.0 %	76.5 %	19.0 %
# farmers in farmer groups covered by CLMRS	517,613	343,019	50.9 %
# child labor cases identified	19,389	53,839	(64.0)%
# child labor cases under remediation	41,190	65,569	(37.2)%
# remediated child labor cases	26,530	10,504	152.6 %
# VSLAs established or functioning	2,070	1,371	51.0 %
Total amount saved through VSLAs (CHF)	3,565,776	1,256,462	183.8 %
Total amount loaned through VSLAs (CHF)	2,164,972	671,099	222.6 %

Thriving Nature

# plots mapped	669,174	547,804	22.2 %
# ha of agroforestry newly established	33,795	18,066	87.1 %
% of sourced raw materials demonstrated not to be contributing to deforestation	46.5 %	34.1 % ⁶	36.2 %
# shade trees distributed to farmers	3,307,928	3,271,657	1.1 %
Total energy consumed (MWh)	1,534,382	1,521,366	0.9 %
# factories using only renewable electricity sources	39	35	11.4 %

Carbon footprint KPI in tCO ₂ e ⁷	2023/24	2022/23	Variance vs Prior Year (%)	Base Year 2021/22	Variance vs Base Year (%)
Scope 1 & 2	225,372	247,104	(8.8)%	271,246	(16.9)%
Scope 1	125,314	118,777	5.5 %	118,281	5.9 %
Scope 2 (market-based)	100,058	128,327	(22.0)%	152,965	(34.6)%
Scope 3 gross total (w/o removals)	13,161,670	13,168,697	(0.1)%	13,672,575	(3.7)%
Scope 3 net total (incl. removals)	12,773,238	12,937,288	(1.3)%	13,672,575	(6.6)%
Scope 3 Non-FLAG	1,760,348	1,750,866	0.5 %	1,789,242	(1.6)%
Scope 3 FLAG net	11,012,890	11,186,422	(1.6)%	11,883,333	(7.3)%
of which Scope 3 FLAG removals ⁸	(388,433) ⁹	(231,408) ¹⁰	67.9 %	0 ¹¹	
Total net carbon footprint (incl. removals)	12,998,610	13,184,392	(1.4)%	13,943,821	(6.8)%
Total net carbon intensity [tCO ₂ e / t of product]	5.71	5.79	(1.4)%	6.05	(5.6)%

Sustainable Ingredients

KPI	2023/24	2022/23	Variations
% of plots mapped within our direct cocoa supply chain	83.0 %	78.9 %	5.2 %
% certified or verified agricultural raw materials sourced	56.2 %	59.6 %	(5.7)%
% cocoa and chocolate products sold which contain certified or verified cocoa	55.5 %	51.5 %	7.8 %
% of certified or verified agricultural non-cocoa ingredients sourced	82.0 %	80.3 %	2.1 %
# farmers in our sustainability program	594,608	462,471	28.6 %
% women farmers in sustainability programs	15.0 %	14.7 %	2.1 %

⁵ After September 2022, we adjusted our methodology aligning with the OECD household equivalent scale and to account for the update in the World Bank poverty line, from \$1.90 to \$2.15, adjusted for purchasing power parity.

⁶ After 2022/23 we applied our methodology beyond Cocoa Horizons volumes, now also including all other cocoa volumes directly sourced in Côte d'Ivoire and Ghana. At the same time we expanded our forest scope to reflect the upcoming regulations (EUDR).

⁷ The unit applies for the whole table, unless stated differently

⁸ All carbon removals come from agroforestry insetting, independently verified by SustainCERT.

⁹ Scope 3 FLAG removals from agroforestry insetting.

¹⁰ After 2022/23 the amount excludes a 20% withholding buffer, safeguarding against potential unforeseen losses of planted trees under our agroforestry activities.

¹¹ In our base year 2021/22, we do not consider our Scope 3 FLAG removals in our total net carbon footprint. Agroforestry insetting is an additional effort to decrease carbon emissions.

Our People

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46 Chairman's Awards 2024



Employee Development

Our people are the cornerstone of our success. The commitment of each team member to our core values - customer focus, passion, entrepreneurship, team spirit, and integrity - drives us forward. These shared values, combined with our dedication to cocoa and chocolate, extend beyond our company, influencing cocoa farmers, suppliers, customers, consumers, and the communities where we operate. We are committed to cultivating an inclusive environment where everyone can be their authentic selves, while empowering others to succeed. Our goal is to foster a culture that attracts, develops, and retains exceptional talent, enabling the sustainable growth of our company.

Fostering the #oneBC Experience Through Diversity and Inclusion

Our #oneBC strategy places Diversity and Inclusion (D&I) at the core of our culture, ensuring it is central to the employee experience. We strive to be one team, united by shared values and a passion for growth and sustainability, while embracing diverse backgrounds and perspectives.

Our D&I strategy is built around three pillars:

Our People: We embed D&I into every aspect of the employee experience, ensuring that our values and leadership behaviors are lived realities. From onboarding to career development, we strive to create workplaces where everyone feels empowered to excel.

Our Customers: We encourage diverse partnerships, driving innovation and growth by aligning our business practices with our D&I values.

Our Communities: We amplify our positive impact on the environment and our communities, while enhancing employee engagement.

Throughout the year, our local Employee Resource Groups (ERGs) have driven initiatives that reflect the unique needs of their regions, focusing on workplace diversity, professional development, and community outreach.

Culture and Change Management: Leading Through Transformation

At Barry Callebaut, we understand that strong leadership and continuous learning are key to thriving in a dynamic environment. This year, we launched the "How to Lead People" digital learning toolkit, providing our leaders with 128 hours of self-paced learning to help them navigate transformation and build high-performing teams. Six months after its launch, over 2,000 leaders have engaged with the platform, and 400 leaders completed the People Management Essentials Program (PME).

To support our leaders during times of change, we introduced toolkits on Leading Change and High Value Creation Teams. These resources, along with

workshops on managing multicultural teams and handling courageous conversations, have equipped our leaders with the skills to drive transformation. To date, 22 training sessions have been offered, reaching 400 participants. We are building, training, and supporting a community of Change & Culture Champions, who support the BC Next Level transformation program within their respective functions and regions.

This year, we have standardized and digitized global Talent & Performance processes, improving and targeting eligibility, process adherence, and digitalization. We also defined success profiles and identified critical commercial capabilities, laying the foundation for the Commercial Excellence Learning Academy, a key driver of our sustainable growth.

Investing in Future Capabilities: Building a Strong Talent Pipeline

To ensure we have the right talent to drive our future success, we've made significant investments in our talent acquisition and management processes. Our new Employer Value Proposition (EVP) was designed to attract top talent by enhancing our careers webpage and creating more gender-balanced job descriptions.

We implemented a global recruitment process that enhances the candidate experience across all regions, ensuring consistency and efficiency. Our focus on hiring for our Global Business Service (GBS) Centers has been supported by strategic partnerships with top recruitment agencies.

In talent management, we are focusing on supporting our General Managers and Plant Managers with accelerated development programs and Tailored Development Centers to guide their growth. We are also building upon our Sales and Digital capabilities, recognizing their critical role in our future growth.

Our new BC Leadership Behaviors now anchor our people processes, from hiring to performance management, ensuring that leadership at Barry Callebaut is aligned with our values. Culturally, we're fostering a strong service mindset across the entire organization, recognizing that exceptional service is key to our continued success.

Global Business Services (GBS): Driving Operational Excellence

GBS is a key component of our future-ready operating model. Designed to increase performance excellence, and broaden capabilities, GBS will scale operations across all hubs, evolving towards a multi-functional, end-to-end setup.

Our GBS strategy is being implemented in three phases: Strategy & Assess, Design, and Transition, with the final go-lives expected by Q2 2025. By streamlining processes and leveraging technology, GBS will

enhance operational efficiency, ensuring consistent service delivery across regions and improving customer experiences.

To support this, we established four GBS hubs: two regional hubs in Mexico and Malaysia, and two global hubs in Poland and India. These hubs will drive service excellence, proactively identifying opportunities for improvement and ensuring a seamless experience for our customers.

Fostering a safe and unique workplace

Health and safety is a fundamental value that guides everything we do. Around the globe, safety goes beyond being a set of rules; it's ingrained in our culture. Our priority is fostering a work environment where everyone feels safeguarded and empowered.

In fiscal year 2023/24 we published our [Health & Safety Mission Statement](#) which represents Barry Callebaut's commitment to providing a safe and healthy workplace. Our goal is to achieve zero accidents and zero harm for all employees, contractors, and visitors across our premises. We take responsibility and

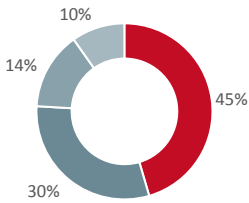
leadership in promoting safety by offering the necessary resources, standards, and training. Our work environment encourages open communication about safety concerns, helping us work towards our Zero Accidents ambition. We respond swiftly and effectively to any incidents or near misses, striving to prevent repeat accidents. Continuous improvement through active listening, learning, and risk reviews is key to our safety mission.

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 Injury Rate (LTIR), the indicator registering accidents resulting in absence from work, is 0.73 injuries per 100 employees, -18.0% compared to the previous year. As at August 31, 2024, all sites were SMETA compliant.

Employees per geographic footprint

As at August 31, 2024

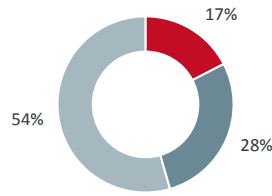
EMEA	6,103
Americas	4,091
Asia-Pacific	1,917
Africa	1,312
Number of employees	13,423



Employees per function

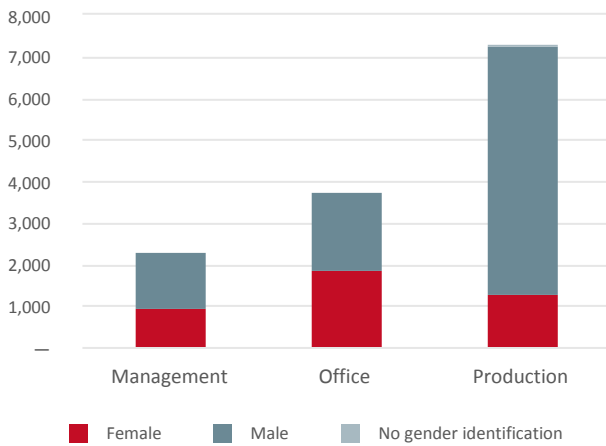
As at August 31, 2024

Management	2,336
Office	3,776
Production	7,311
Number of employees	13,423



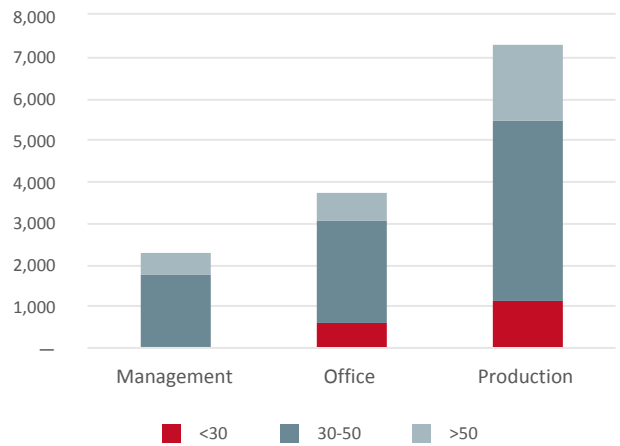
Gender of employees by function

As at August 31, 2024



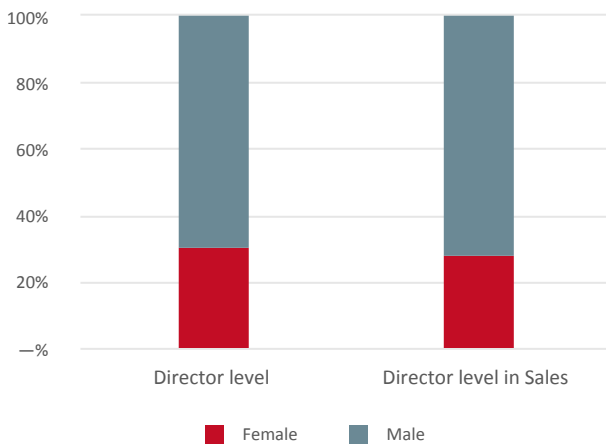
Age of employees by function

As at August 31, 2024



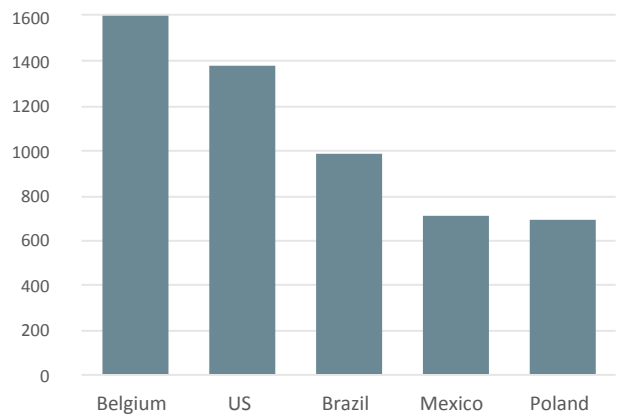
Gender representation at Director level

As at August 31, 2024



Top 5 nationalities

As at August 31, 2024, Number of employees



Average seniority in years by geographic footprint

As at August 31, 2024

EMEA	10.4
Americas	7.5
Asia-Pacific	7.7
Africa	9.4

Chairman's Awards 2024

The **Chairman's Awards** recognize excellent Barry Callebaut employees who have demonstrated outstanding performance at work, have shown commitment to the Barry Callebaut Values, and have dedicated their personal time and resources to voluntary community service or charitable causes.



In alphabetical order:

Eloisa Clemente

(Brazil)

Patrick de Maeseneire

(Chairman of the Board)

Sarah Scott

(USA)

Frederic Depypere

(Belgium)

Matthew Nagel

(USA)

Sindou Soumahoro

(Ivory Coast)

Georgina Gonzalez

(Mexico)

Flavio de Oliveira

(Brazil)

Roxanne Mae Villasoto Targa

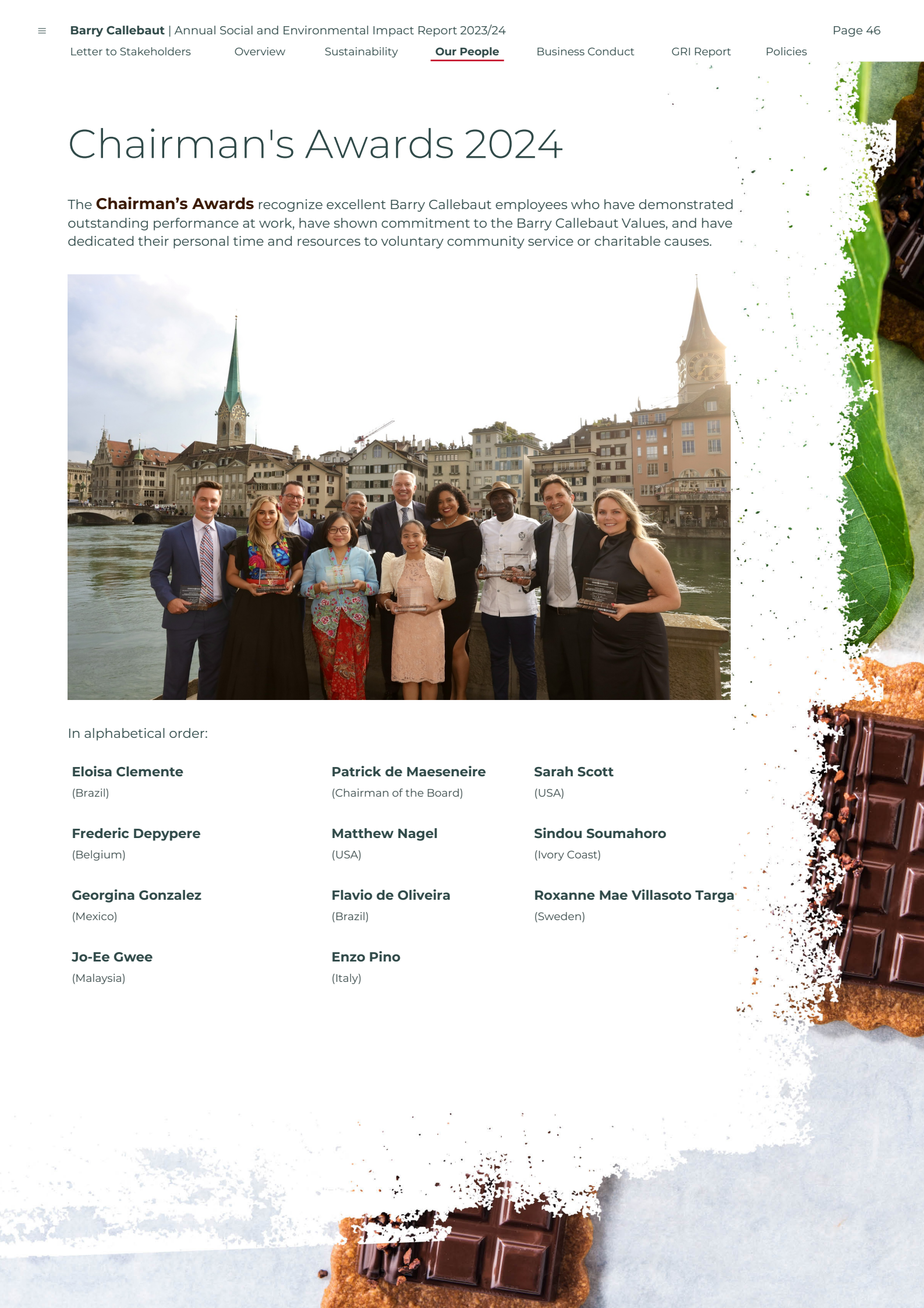
(Sweden)

Jo-Ee Gwee

(Malaysia)

Enzo Pino

(Italy)



Business Conduct

Barry Callebaut is committed to ensuring the highest standard of integrity and ethical conduct. We expect all employees to act responsibly, demonstrate good corporate citizenship in all business dealings, and honor our company values, i.e. customer focus, entrepreneurship, team spirit, passion, and integrity. These commitments are set out in our Code of Conduct and implemented in our policies and procedures which describe the correct ways of working. Barry Callebaut has also adopted processes to enforce the upholding of our values, Code of Conduct, policies, and procedures.

The foundation: Barry Callebaut Code of Conduct

The Barry Callebaut Code of Conduct (the Code) was first launched in 2002 (updates in 2011, 2013, 2016, and 2022) and has since evolved and is regularly complemented to cover new requirements. It sets forth mandatory principles and requirements for behavior and is complemented by our global and local policies. The Code, which applies to all Barry Callebaut employees worldwide, also articulates our minimum standards regarding business conduct. The Code of Conduct provides the guiding principles to do the right thing. It outlines the regulations and company policies that apply in all work situations, without exception. In accordance with the company values, the Code of Conduct empowers everyone within the Barry Callebaut Group to serve as an ambassador of integrity within their roles and responsibilities. Barry Callebaut encourages everyone to help prevent, detect, and respond to any violations of the Code of Conduct which sets the framework for sustainable growth and the passion for cocoa and chocolate.

Expectations and procedures for reporting wrongful acts or suspected wrongful acts in violation of the Code are communicated to all employees. The document is approved by the Executive Committee and signed by the CEO. The Code of Conduct is available in 17 languages and signed by employees when they join the Company. All employees with an active Barry Callebaut email account receive additional training on the Code on a regular basis. Furthermore, every month a topic of the Code is communicated to all employees via intranet and email, inviting feedback on potential scenarios, and strengthening employees' ability to act upon violations of the Code. It is the responsibility of each employee to uphold the principles of the Code and employees are encouraged to seek advice and to raise questions or concerns at any time with their manager, Human Resources, or Group Legal & Compliance.

Within Barry Callebaut, the governance on compliance management is structured via the Barry Callebaut Group Compliance Committee ("Compliance Committee"). The purpose of the Compliance

Committee is twofold: First to signal and steer what measures should be developed and implemented to enhance the compliance management within the Barry Callebaut organization. Secondly to review, investigate and remediate possible compliance violations. The Compliance Committee is composed of the following functions: Chief Human Resources Officer, Group General Counsel, Group Compliance Officer, and Head of Internal Audit. The Compliance Committee shall be chaired by the Group Compliance Officer. They meet four times per year for a Compliance Update. In addition, the Chairman of the Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) is regularly (six times per year) informed about compliance cases and compliance activities.

Anti-Bribery & Corruption

The Global Anti-Bribery and Corruption Policy (the "Policy") describes how Barry Callebaut is dealing with bribery and corruption exposure in its business activities. Corruption is detrimental to economic, political, and social development. It distorts market competition, undermines productivity, and ultimately impedes sustainable economic growth. The purpose of this Policy is therefore to ensure that Barry Callebaut actively manages controls and procedures to comply with international standards and worldwide regulations, such as but not limited to the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA), Russian Code of Administrative Violations (RCAV) and other similar legislation in other jurisdictions. This Policy sets the objectives for the anti-bribery management system by providing further guidance to Barry Callebaut employees on the procedures that must be followed to avoid such exposure and it outlines the reporting requirements of such compliance violations if suspected or detected.

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:

- Public corruption & bribery: 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.
- Public corruption & bribery - Any offers of a gift or facilitation payment (anything of value or even

invitations to leisure time events) that might be seen as influencing public officials' decision-making process is strictly forbidden.

- 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.

Communication and training about anti-corruption policies and procedures

Like all policies, we communicate BC's Global Anti-Bribery and Corruption Policy to all employees worldwide, regardless of their location or job level, and it is available on the company's intranet. Basic compliance training on the updated Principles of Conduct, mandatory for all permanent employees once every two years, includes sections on bribery and corruption and the ethical handling of issues linked to gifts, entertainment, and hospitality.

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: 6 of 9 (66%).

Total number of employees that have received training on anti-corruption in fiscal year 2023/24: 513 of the white-collar employees.

51 in Africa, 131 in Americas, 109 in Asia-Pacific and 222 in Europe. E-learning is renewed every two years.

Total number of new employees that have received training on anti-corruption in fiscal year 2023/24: 353 of the white collar employees: 27 in Africa; 96 in the Americas; 71 in Asia-Pacific; 159 in Europe.

Currently, Barry Callebaut does not collect information on the business partners that the organization's anti-corruption policies and procedures have been communicated to.

Barry Callebaut investigated 19 cases of corruption leading to 10 confirmed incidents in the fiscal year 2023/24. There were 24 cases where employees were disciplined or dismissed. There was no public legal case brought against the Company or its employees (insolvency claim). As at August 31, 2024, the number of compliance cases closed amounted to 85. Those that are currently pending amounted to 10.

Conflict of interest

Certain situations may create a conflict between the interests of Barry Callebaut and the interests of a Barry Callebaut employee. Such conflicts may adversely affect the Barry Callebaut employee's independent and objective judgment and can interfere with the timely and effective performance of the employee's job responsibilities. They may jeopardize Barry Callebaut's business interests and compromise the employee's loyalty. This applies to all Barry Callebaut employees who are employed at any level by any member of the Barry Callebaut group of companies. It also applies to the members of the Board of Directors of Barry Callebaut AG.

To prevent conflicts of interest a Barry Callebaut employee shall avoid any outside activities, that may adversely affect his/her independent and objective judgment, interfere with a timely and effective performance of his/her job, conflict with Barry Callebaut's business interests and/or compromise his/her loyalty ("Conflict of Interest").

Barry Callebaut employees must disclose any involvement of themselves and their related parties (shareholding of more than 5%, Board membership, employment, mandate, or personal financial interest) that could give rise to a conflict of interest with their supervisor. The term "Related Parties" includes entities that are directly or indirectly controlled, jointly controlled, or significantly influenced by, or in which they have significant voting power, directors, officers and employees, or close family members and persons living in the same household.

Employees of Barry Callebaut shall not cause or influence Barry Callebaut to enter into any transaction with a third party in which the employee or his/her close family members or friends have an interest. If such a transaction is advantageous to Barry Callebaut, the Barry Callebaut employee must ensure that the terms of the transaction are determined by a competitive bid that clearly establishes the fairness of the terms at arm's length, and the Barry Callebaut employee concerned must not sign such a contract.

A Barry Callebaut employee may not sign any contract or enter into any binding commitment on behalf of Barry Callebaut with any company in which he/she or a person closely associated with him/her has a personal interest, whether or not such interest has been disclosed.

Trade Sanctions

As a multinational company, we need to be aware of international Trade Sanctions. Trade sanctions are political instruments to restrict trade. Trade sanctions are penalties imposed by countries onto other countries or persons (private organizations or individuals) usually for international violent laws, human rights, and/or fundamental democratic principles. Trade sanctions may affect Barry Callebaut's business operations by placing restrictions and controls on the movement of goods, services, and funds.

However, since Sanctions can also apply to specific private organizations, legal entities, or natural persons (the "Designated Entities and Individuals"), it is important that the Barry Callebaut Group implements appropriate controls to comply with Sanctions against such Designated Entities and Individuals. Consequently, Barry Callebaut's focus with regard to compliance with Sanctions lies in screening Designated Entities and Individuals against the relevant Sanction Lists. Every new and existing customer and/or supplier (business partner), whether it is "sold to", "shipped to", "billed to" or "payer", must be screened and checked against the specially designated national list provided by Dow Jones as part of the Barry Callebaut routine "know your customer", respectively

"know your supplier" check. The Dow Jones database contains all information from the relevant lists of OFAC, the EU Commission, the LIN Security Council Sanctions Committee, and SECO (the "Sanctions Lists").

The checks will be done on a regular basis, based on the data out of the Masterdata database. Barry Callebaut has installed an automated solution that is fed by the Masterdata database and the Dow Jones database. In case of a full or partial match of a business partner with sanctioned persons appearing on any of the Sanctions Lists, the Group Compliance Officer shall receive a notification. It is in the discretion of the Group Compliance Officer to instantly block a transaction contemplated with any such business partner.

Whistleblowing and the reporting of grievances

Barry Callebaut has established a dedicated whistleblowing and grievance platform ([BC Integrity Line](#)). Via these mechanisms we are inviting input from all employees and external stakeholders to report non-compliance and suspicious transactions, and help us to identify potential issues or violations, increase transparency and promote continuous improvement. Our grievance platform covers our entire supply chain. The Compliance team hosts both platforms and acts as a coordinator to ensure the adequate processing of incoming grievances.

Anti-Bribery and Anti-Corruption

KPI	2023/24	2022/23	2021/22
BC operations assessed for risks	100.0 %	100.0 %	100.0 %
Training and communication to Governance bodies	6	6	9
Training and communication to white collars	513	1,201	870
Training and communication to new white collars	353	569	1,012
Corruption incidents and actions - Closed cases	85	86	60
Corruption incidents and actions - Pending cases	10	5	10

GRI Report

Relevant GRI Standard(s)

GRI

GRI 2 General Disclosures

The organization and its reporting practices

- 2-1 Organizational details
- 2-2 Entities included in the organization’s sustainability reporting
- 2-3 Reporting period, frequency and contact point
- 2-4 Restatements of information
- 2-5 External Assurance
- 2-6 Activities, value chain and other business relationships
- 2-7 Employees

Governance

- 2-9 Governance structure and composition
- 2-12 Role of the highest governance body in overseeing the management of impacts

Strategy, policies and practices

- 2-23 Policy commitments
- 2-24 Embedding policy commitments
- 2-25 Processes to remediate negative impacts
- 2-27 Compliance with laws and regulations
- 2-28 Membership associations

Stakeholder engagement

- 2-29 Approach to stakeholder engagement
- 2-30 Collective bargaining agreements

GRI 3 Material Topics

Material Topics

Supply Chain Traceability

- 3-1 Process to determine material topics
- 3-2 List of material topics
- 3-3 Management of material topics

Biodiversity & Ecosystems

- 304 Biodiversity
- 308 Supplier Environmental Assessment

Climate and Energy

- 302 Energy
- 303 Water
- 305 Emissions

Workers in the Value Chain

- 408 Child Labor
- 412 Human Rights Assessment
- 414 Supplier Social Assessment

Affected Communities

- 411 Right of Indigenous People

Non-Material Topics

- 201 Economic Performance
- 203 Indirect Economic Impacts
- 205 Anti-corruption
- 206 Anti-competitive Behavior
- 401 Employment
- 403 Occupational Health and Safety
- 404 Training and Education
- 405 Diversity and Equal Opportunity
- 409 Forced or Compulsory Labor
- 410 Security Practices
- 412 Human Rights Assessment
- 413 Local Communities
- 414 Supplier Social Assessment
- 415 Public Policy

GRI 2 General Disclosures

The organization and its reporting practices

2-1	Organizational details	
2-1-a	Legal Name	Barry Callebaut AG
2-1-b	Nature of ownership and legal form	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, 2024 the market capitalization based on issued shares was CHF 7,553 million (August 31, 2023: CHF 8,464 million). The significant shareholders of the Company are listed in Note 5.4 to the Consolidated Financial Statements in the Annual Report 2023/24 https://www.barry-callebaut.com/en/about-us/investors/annual-report-202324 , with Jacobs Holding AG as the reference shareholder holding 30.1% of the issued share capital (2023: 30.1%).
2-1-c	Location of headquarters	Barry Callebaut AG Hardturmstrasse 181 8005 Zurich, Switzerland
2-1-d	Countries of operation	Barry Callebaut offers its products in 147 countries.
2-2	Entities included in the organization’s sustainability reporting	
2-2-a	Entities included in sustainability reporting	The entities covered under the Forever Chocolate chapters of this Annual Social and Environmental Impact Report 2023/24 can be viewed via the Assurance Statement 2023/24: https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting/verification-assurance-reports
2-2-b	Differences between list of entities included in financial reporting and list included in sustainability reporting	There are differences between the list of entities included in financial reporting and those included in the Forever Chocolate chapters of this Annual Social and Environmental Impact Report 2023/24. See Annual Report 2023/24: https://www.barry-callebaut.com/en/about-us/investors/annual-report-202324 . The entities covered under the Forever Chocolate chapters of this Annual Social and Environmental Impact Report 2023/24 can be viewed via the Assurance Statement 2023/24: https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting/verification-assurance-reports
2-2-c	If multiple entities: approach used for consolidating the information	See Annual Report 2023/24: https://www.barry-callebaut.com/en/about-us/investors/annual-report-202324
2-3	Reporting period, frequency and contact point	
2-3-a	Sustainability reporting period and frequency	Annual 1 September 2023 - 31 August 2024
2-3-b	Financial reporting period	1 September 2023 - 31 August 2024
2-3-c	Publication date of report	GRI Report 2023/24 (November 6, 2024) Annual Report 2023/24 (November 6, 2024)
2-3-d	Contact point for report	Taryn Ridley, Head of ESG Engagement & Reporting Phone. +41 43 204 0404 Email. taryn_ridley@barry-callebaut.com
2-4	Restatements of information	
2-4-a	Restatements from previous reporting periods	None
2-5	External Assurance	
2-5-a	Policy and practice for seeking external assurance	The Audit, Finance, Risk, Quality & Compliance Committee, a sub-committee of the Board of Directors, reviews our internal system controls, risks, quality, and the reliability of our external reporting. It also oversees the implementation of ESG processes, controls and robust reporting and the direct integration of ESG into the audit structure and the relationship with investor relations.
2-5-b	Delegating authority	The auditing partner, PwC UK, audited external independent limited assurance by PwC to a selection of KPIs featured in the Overview of Forever Chocolate chapters of this Annual Social and Environmental Impact Report 2023/24. An assurance report and statement is publicly available online via https://www.barry-callebaut.com/en/group/forever-chocolate/sustainability-reporting/verification-assurance-reports

Activities and workers

2-6 Activities, value chain and other business relationships

2-6-a	Sectors	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.
2-6-b	Value chain	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 62 factories operated directly by Barry Callebaut. Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The global brands catering to the specific needs of these Gourmet customers are Callebaut® and Cacao Barry®, Carma® and the decorations specialist Mona Lisa®.
2-6-c	Business relationships	<p>Among the main external initiatives which Barry Callebaut endorses and supports are: the Dutch Sustainable Trade Initiative (IDH), The German Development Finance Institution (DEG), Fairtrade, Jacobs Foundation, Rainforest Alliance, The Sustainable Agriculture Initiative Platform, and the International Cocoa Initiative (ICI).</p> <p>Cocoa relevant: ABICAB, AIDEPIT, AIPC, Alliance7, Amcham, Ania, Aschoko/Confirmex, BDSI, BLL & BVE, Belgian Confectionary Association (Choprabisco), Beyond Chocolate, Biscooise, Bundesverband der Deutschen Suesswarenindustrie, 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 Leon, 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, Polbisco, Produlce, SGLH, Singapore Manufacturing Federation, SWISSCO, SVLQ, SVG, VBZ, Unione Ind. LI VCO, World Cocoa Foundation.</p>
2-6-d	Changes to previous reporting period	<p>In the fiscal year 2023/24, the significant changes to the organization's size and structure include the following:</p> <p>July 2024 Microsoft and Barry Callebaut announce a strategic partnership to accelerate digital transformation journey as part of BC Next Level.</p> <p>April 2024 With the "Future Farming Initiative (FFI)" Barry Callebaut launches a high-tech and sustainable cocoa farming business under the leadership of Steven Retzlaff in Brazil.</p> <p>February 2024 Barry Callebaut enters into discussion with the European Works Council in relation to efficiency measures throughout the company and reaches a framework agreement in May.</p> <p>December 2023 The first manufacturing facility in Casablanca, Morocco, begins operations and becomes an important location in the manufacturing footprint on the African continent.</p> <p>December 2023 Mauricio Graber is confirmed at the AGM as a new member of the Board of Directors, bringing vast experience in the global food ingredients and bioscience sector to the Board's expertise.</p> <p>November 2023 Morningstar Sustainalytics once again ranks Barry Callebaut at the top for the management of ESG risks in both the Food Product and Packaged Food companies.</p> <p>October 2023 Barry Callebaut renews long-term agreement to supply liquid chocolate to Mars Wrigley LAN, to drive growth for both companies in a strategic market.</p> <p>September 2023 Barry Callebaut announces BC Next Level, a CHF 500 million strategic investment program to increase efficiency, digitalization and proximity to markets and customers.</p>

2-7 Employees		
2-7-a	Number of employees by gender and region	At the end of the fiscal year 2023/24, Barry Callebaut had 13,423 employees. The company had: female employees 4,166, male employees 9,241 and employees without gender identification 16. Employees in EMEA: 6,103; employees in Africa: 1,312; employees in Americas: 4,091; employees in
2-7-b	Number of employees by type of employment	At the end of the fiscal year 2023/24, Barry Callebaut had 13,423 employees. The company had: 4,042 permanent and 124 temporary female employees; 9,098 permanent and 143 temporary male employees, 16 employees without gender identification. Employees in EMEA: 5,936 permanent and 167 temporary; Americas: 4,053 permanent and 38 temporary; Asia: 1,862 permanent and 55 temporary; Africa: 1,305 permanent and 7 temporary; 3,842 full time and 324 part time female employees; 9,019 full time and 222 part time male employees; 16 full time employees without gender identification.
2-7-c	Methodologies and assumptions for data compiling	Data related to employees are reported in headcounts and as at 31 August 2024. Data are collected through our HCM system and elaborated through queries.
2-7-d	Contextual information	The population includes internal employees with following employee class: assignees, apprentices, employees, graduates, interns.
2-7-e	Fluctuations	The total turnover of employees was 16.5%. The turnover of employees by geozone and gender: Africa: 13% female and 13% male Americas: 23% female and 26% male Asia-Pacific: 17% female and 17% male Europe: 12% female and 12% male The turnover of employees by age and gender: Below 30 years old: 28% female and 33% male Between 30-50 years old: 14% female and 14% male Above 50 years old: 14% female and 14% male
2-8 Workers who are not employees		
2-8-a	Number of workers not employees	Due to the sensitive nature of certain data, specific details within GRI Standards 2-8 regarding organizational impacts, risks, and opportunities have been omitted from this report to ensure the protection of confidential information.

Governance

2-9 Governance structure and composition		
2-9-a	Governance structure	See Governance section on the website
2-9-b	Committees of the highest governance body	See Governance section on the website
2-12 Role of the highest governance body in overseeing the management of impacts		
2-12-a	Role of the highest governance body and of senior executives: organization’s purpose, value or mission statements, strategies, policies, and goals;	See Governance section on the website

Strategy, policies and practices

2-22 Statement on sustainable development strategy		
2-22-a	Statement about relevance of sustainable development to the organization and its strategy	Letter to Stakeholders
2-23 Policy commitments		
2-23-a	Policy commitments for responsible business conduct	Due diligence, what is it and how is it included in Forever Chocolate?
2-23-b	Policy commitment to respect human rights	Human Rights
2-23-c	Links to the policy commitments	Cross reference to relevant policies

2-23-d	Approval of policy commitments within the organization	Governance: embedding responsible business conduct into policies and management systems
2-23-e	Extent of application	Fit for a changing regulatory landscape
2-23-f	Communication of policy commitments	Business Conduct
2-24	Embedding policy commitments	
2-24-a	Embedding throughout activities and business relationships	Business Conduct Human Rights Prospering Farmers Thriving Nature Sustainable Ingredients Talent, diversity, employee engagement and health and safety is detailed in Our People section. - 31% women at Director level, (goal by 2025: 40%) - 29% women at Director level in Sales (goal by 2025: 30%) We are committed to continue nurturing an inclusive environment where everyone is given the opportunity to learn, fulfil their potential and be at their best.
2-25	Processes to remediate negative impacts	
2-25-a	Commitments in remediation of negative impacts	Cease, prevent or mitigate adverse impacts
2-25-b	Approach to identify and address grievances	Engagement with relevant stakeholders & Grievance Mechanism Procedure
2-25-c	Processes for remediation of negative impacts	See GRI 2-25-a
2-25-d	Stakeholder involvement	See GRI 2-25-a
2-25-e	Effectiveness of grievance mechanisms and remediation processes	Our measured impact in Human Rights
2-27	Compliance with laws and regulations	
2-27-a	Number of instances of non-compliance with laws and regulations	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 2023/24.
2-27-b	Number and monetary value of fines	See GRI 2-27-a
2-27-c	Description of instances	See GRI 2-27-a
2-27-d	Determination of instances	See GRI 2-27-a
2-28	Membership associations	
2-28-a	Participation in significant role	Cocoa relevant: Belgian Confectionary Association (Choprabisco), Beyond Chocolate, Biscouisse, Bundesverband der Deutschen Suesswarenindustrie, 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 Leon, 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, Polbisco, Produlce, SGLH, Singapore Manufacturing Federation, SWISSCO, SVLQ, SVG, VBZ, Unione Ind. LI VCO, World Cocoa Foundation.

Stakeholder engagement

2-29 Approach to stakeholder engagement

2-29-a Approach to engaging with stakeholders [Our approach to materiality](#)

2-30 Collective bargaining agreements

2-30-a Percentage of employees covered by collective bargaining agreements Percentage of employees covered by collective bargaining agreements is 49%.

2-30-b Conditions for employees not covered by collective bargaining agreements Barry Callebaut’s [Labor Policy](#) complements our [Code of Conduct](#) and specifies our main principles on how we treat our people. It defines minimum benchmarks in respect of practices, measures and controls to be respected by and within our entities worldwide. The implementation of this policy is mandatory for all our entities and applies to all Barry Callebaut employees worldwide. With the implementation of this policy, we put in place a foundation for adherence to the Universal Declaration of Human Rights, the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, ETI Base Code, local, national and international laws and standards, as well as to customers’ expectations and requirements.

GRI 3 Material Topics

Disclosures on material topics

3-1 Process to determine material topics

3-1-a Description of the process for determining material topics [Our approach to materiality](#)

3-1-b Stakeholders and Experts consulted [Our approach to materiality](#)

3-2 List of material topics

3-2-a List of material topics [Our approach to materiality](#)

3-2-b Changes to previous reporting period [Our approach to materiality](#)

3-3 Management Approach

3-3 Management of material topics [Our approach to materiality](#)

Material Disclosures

GRI 300: Environmental Standards

302 Energy		
302-1	Energy consumption within the organization	<p>The total gas consumption was 588,519 MWh: Total electricity consumption (from non-renewable sources): 170,598 MWh. Total energy consumption: 1,534,382 MWh.</p> <p>See also Innovations in energy efficiency and renewables section.</p> <p>Total energy consumption from renewable sources: 759,050 MWh, representing 49% of Barry Callebaut’s consumption. Renewable sources include electricity, biogas and energy produced by shell boilers.</p>
302-3	Energy intensity	<p>Energy intensity ratio per metric ton (Mt) of activity is 275 kWh (using as denominator, the activity in Mt developed at factory level). Energy consumption includes electricity, gas, fuel, steam and renewable energy. The energy ratio is based on energy consumption within the factory’s organization.</p>
303 Water		
303-1	Water withdrawal by source	<p>Water usage is covered in our Environmental Audits. We monitor our water consumption on a monthly basis and analyze the trends to reduce consumption through improvement projects. Water consumption and management of water effluents are key components of our Environmental Risk Assessment standard, which was published in July 2023 and is being implemented across all our factories.</p> <p>Total volume of water withdrawn was 2,309,384 m3 from municipal water supplies, artesian wells and other public or private water utilities. Barry Callebaut has committed to reduce water consumption, with a 4% reduction year-on-year, and, be environmental water neutral by 2030. In addition, Barry Callebaut continues to work on a new and integrated strategic water management approach. This will allow reporting on water withdrawal, per source, in the future. Overall, growth in consumption is mainly related to the progressive incorporation of sites. Barry Callebaut’s Water Risk Management was developed 2017/2018 and based on WWF criteria.</p> <p>Barry Callebaut’s overall water usage is limited and primarily focused on utilities such as steam generation, warm/cold water for tracing, and general hygiene purposes. Regarding water discharge, we ensure that our water effluents are either treated in our own wastewater treatment plants or sent to municipality or site enclaves that have control measures in place for wastewater treatment. We prioritize raising awareness among our teams and implementing various local actions, such as those carried out during World Water Day in 2024. Whilst water was not identified as material by stakeholders in our latest double-materiality assessment, we do recognize and adapt to the risk posed by potential water shortage from the effects of climate change. For example, we are mitigating the effects of climate change with the work we are doing in agroforestry.</p>
304 Biodiversity		
304-3	Habitats protected or restored	<p>Enhancing on-farm ecosystems with agroforestry</p>
305 Emissions		
305-5	Reduction of GHG emissions	<p>Net Zero in Thriving Nature</p>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>Barry Callebaut respects legal requirements for emission levels in each country of operation. In 2023/24, the Company has not received significant fines for exceeding the legal limits. At the moment, Barry Callebaut does not track NOx and SOx 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 NOx or SOx, i.e. dust or smoke with TSP/SPM or PM10.</p>
308 Supplier Environmental Assessment		
308-2	Negative environmental impacts in the supply chain and actions taken	<p>Thriving Nature</p>

GRI 400: Social topics

408	Child Labor	
408-1	Operations and suppliers at significant risk for incidents of child labor	Suppliers and Human rights
411	Rights of Indigenous Peoples	
411-1	Incidents of violations involving rights of indigenous peoples	Embedding responsible business conduct into policies and management systems
412	Human Rights Assessment	
412-1	Operations that have been subject to human rights reviews or impact assessments	Progress in Numbers on Human Rights
413	Local Communities	
413-1	Operations with local community engagement, impact assessments, and development programs	Cease, prevent or mitigate adverse impacts
414	Supplier Social Assessment	
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Ingredients

Non-Material Disclosures

GRI 200: Economic topics

201	Economic Performance	
201-1	Direct economic value generated and distributed	<p>Direct economic value generated and distributed (EVG&D) in thousands:</p> <p>Economic value generated: CHF 10,386,283.</p> <p>Economic value distributed:</p> <p>Cost of goods sold: CHF -9,004,028; Marketing and sales expenses: CHF -165,566; General and administration expenses: CHF -560,594; Other expenses/income (net): CHF -209,968; Net finance expense: CHF -207,260; Income tax expenses: CHF -47,935.</p> <p>Net profit attributable to:</p> <p>Shareholders of Barry Callebaut AG: CHF 189,785</p> <p>Non-controlling interest: CHF 1,148</p> <p>Economic value retained: CHF 190,933.</p>
201-2	Financial implications and other risks and opportunities due to climate change	Risk Overview
203	Indirect economic impact	
203-2	Significant indirect economic impacts	Risk Overview

205 Anti-corruption	
205-1	Operations assessed for risks related to corruption
205-2	Communication and training about anti-corruption policies and procedures
205-3	Confirmed incidents of corruption and actions taken
206 Anti-competitive Behavior	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Business Conduct

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: 6 of 9 (66%, all Europe).

Total number of employees that have received training on anti-corruption: 513 of the white collar employees. 51 in Africa, 131 in Americas, 109 in Asia-Pacific and 222 in Europe. E-learning is renewed every 2 years.

Total number of new employees that have received training on anti-corruption: 353 of the white collar employees: 27 in Africa; 96 in Americas; 71 in Asia-Pacific; 159 in Europe.

Currently, Barry Callebaut does not collect information on the business partners that the organization’s anti-corruption policies and procedures have been communicated to.

Barry Callebaut investigated 19 cases of corruption leading to 10 confirmed incidents in the fiscal year 2023/24. There were 24 cases where employees were disciplined or dismissed. There was no public legal case brought against the Company or its employees (insolvency claim). As at August 31, 2024, the number of compliance cases closed = 85. Those that are currently pending = 10.

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 400: Social Topics

401 Employment	
401-1	New employee hires and employee turnover
403 Occupational Health & Safety	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

In the reporting period, Barry Callebaut hired 1,892 new employees:
 Split by age: 797 employees below 30 years old, 956 employees between 30-50 years old, 139 employees above 50 years old.
 Split by gender: 576 female and 1,302 male employees, 14 with no gender indication.
 Split by region: 53 employees in Africa, 1,043 employees in Americas, 214 in Asia-Pacific, 582 in Europe.

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 well-being, and that of our colleagues. We comply with safety regulations and measures and will speak up, correct, or report to a manager, when we notice situations where safety is at risk. Underpinning Barry Callebaut’s Health and Safety strategy, the Go4Zero Operating System - a Zero Accident, Zero injury and Zero harm environment.

Barry Callebaut implements Health and 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. In 2023/24 we focused on further enhancing our practices and standards in line with our corporate policies on Labor, Health & 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 Injury Rate (LTIR), the indicator registering accidents resulting in absence from work, is 0.73 injuries per 100 employees, -18% compared to the previous year. As at August 31, 2024, all sites were SMETA compliant.

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).

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 Behavior Observation Safety (dialogue between employees to improve safety awareness, understanding and behavior).

404 Training and Education

404-2 Programs for upgrading employee skills and transition assistance programs

At Barry Callebaut, we prioritize both deep expertise and diverse experiences in talent development. As part of our People & Diversity strategy, our employee development programs are designed to expand skills and capabilities, enabling continuous innovation, exceptional customer service, and a positive business impact. Our new How to Lead People program, for example, has democratized access to change management and leadership training to over 3,000 managers across regions and functions, making these essential skills accessible to a broad audience.

Our digitalized talent management practices, including systematic monitoring, support effective succession planning for senior leaders. With a comprehensive suite of developmental programs, we foster internal career growth, reflected in a global promotion rate of 7%. The opportunity to build a lasting, rewarding career at Barry Callebaut is a valued part of our culture. Deep expertise and broad experiences are both prioritized in the "Winning with our People" (WWOP) key pillar, Talent Development. Employee value development programs help them grow their skills and capabilities. In turn, they continue to innovate, provide the best service to our customers and positively impact our business.

405 Diversity and Equal Opportunity

405-1 Diversity of governance bodies and employees

Board of Directors: 8 male members and 1 female member. 0 member under 30 years old, 1 member between 30-50 years old and 8 members above 50 years old.

Executive Committee: 5 male members and 1 female member. 0 member under 30 years old, 1 member between 30-50 years old and 5 members above 50 years old.

The Company had 31% female and 69% male employees.

14% of employees are below 30 years old, 63% of employees are between 30-50 years old, 23% of employees are above 50 years old.

Cross Reference to Relevant Policies

At Barry Callebaut our values represent a mindset and way of doing business that is committed to generating sustainable earnings over time and creating a long-term value for all stakeholders. 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 are committed to maintaining robust procedures that foster consistent, transparent communication. The below table shows all our policies which are available to the public [here](#).

Group policies	Policy description
Environmental Policy	Our Global Environmental Policy sets out the directions and commitment to monitor and understand the environmental impact of our business activities. It also envisages the risks and possible impact from our Barry Callebaut sites and locations, production activities and supply chain.
Net Zero Roadmap	This roadmap outlines the company's strategy to decarbonize its entire value chain, aligning with worldwide efforts to limit global warming to 1.5 degrees Celsius by setting mid-term targets for 2030 and achieve net zero by 2050
Quality Mission	Our Quality Mission is integrated with both the Barry Callebaut values and the Triple Zero program - zero accidents, zero defects, zero delays.
Code of Conduct	Barry Callebaut's Code of Conduct is a practical guide for all employees; it explains how to manage potential conflicts of interests and other ethical dilemmas our company may face in our business lives. The principles and guidelines for behavior are set forth in our Code of Conduct
Supplier Code and Sustainable Sourcing Policies	Our Supplier Code and Sustainable Sourcing Policies lay out the framework for our sustainable sourcing activities and reflect our Forever Chocolate strategy and ambitions.
Global HR Labor Policy	This policy defines minimum benchmarks in respect of practices, measures and controls to be respected by and within our entities worldwide. The implementation of this policy is mandatory for all our entities and applies to all Barry Callebaut employees and managers worldwide
D&I (#oneBC)	We are #oneBC, united by our strong values, our love for cocoa and chocolate and our passion for growth. And yet we are all different. We thrive on the diversity of who we are, where we come from, what we've experienced and how we think.
Human Rights Policy	This statement describes Barry Callebaut's approach and efforts toward safeguarding human rights and ensuring that slavery and human trafficking are not taking place in any part of our business and our supply chain. It is updated annually, and is made under the California Transparency in Supply Chains Act of 2010 and the UK Modern Slavery Act 2015. In addition, we also adhere to the the Canadian Fighting Against Forced Labour Act 2024.