

**Report on
Non-Financial
Matters Pursuant
to Art. 964a et
seq. of the
Swiss Code
of Obligations
2023/24**

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Letter to Shareholders

Dear Valued Shareholder,

This non-financial report has been published in accordance with Art. 964a et seq. of the Swiss Code of Obligations (CO). The report emphasizes Barry Callebaut's performance in specific areas of environment, social issues, employees, human rights and anti-corruption, as defined by the legal requirements of the Swiss Code of Obligations. In addition, we outline our business model and its impact on the environment, people, economy, and corporate governance.

This report was created by drawing on data from Barry Callebaut's 2023/24 Social and Environmental Impact Report. This includes KPIs that received limited assurance from PricewaterhouseCoopers, as part of our annual Forever Chocolate initiative. Additionally, we also incorporated KPIs which align with international reporting standards, such as the Global Reporting Initiative (GRI).

Further information on our sustainability activities that do not fall under the statutory provisions of Art. 964a ff. CO can be found in the Forever Chocolate chapter of our Social and Environmental Impact Report 2023/24.

This report was approved by the Board of Directors of Barry Callebaut AG, on November 4, 2024 and will be submitted to the next Annual General Meeting on December 4, 2024 for approval.

We believe that a sustainable supply chain and sustainable operations are fundamental to our corporate license to operate. Beyond the moral imperative, this commitment is also reflected in both the purpose and long-term strategy of Barry Callebaut. We thank you, our shareholders, for your continued trust in Barry Callebaut.



Patrick De Maeseneire

Chairman of the Board

Building and Sustaining Meaningful Impact

Business Model

Business model

We are the world's leading manufacturer of chocolate and cocoa products, mastering every step in the value chain from the sourcing of raw materials to the production of the finest chocolates. We are able to provide our customers with value-adding products and services adapted to specific market needs, ahead of trends and at a competitive price. We serve the entire food industry – from global and local food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers.

We are a business-to-business company. In order to accommodate price fluctuations in raw materials, we use a cost-plus pricing model that passes on raw material prices directly to our customers for a large part of our business.

Our input factors are talented people, profound chocolate and cocoa know-how, as well as unparalleled raw materials sourcing capabilities. Our output factors are high-quality chocolate and cocoa products complemented by value-adding services.

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®.

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.

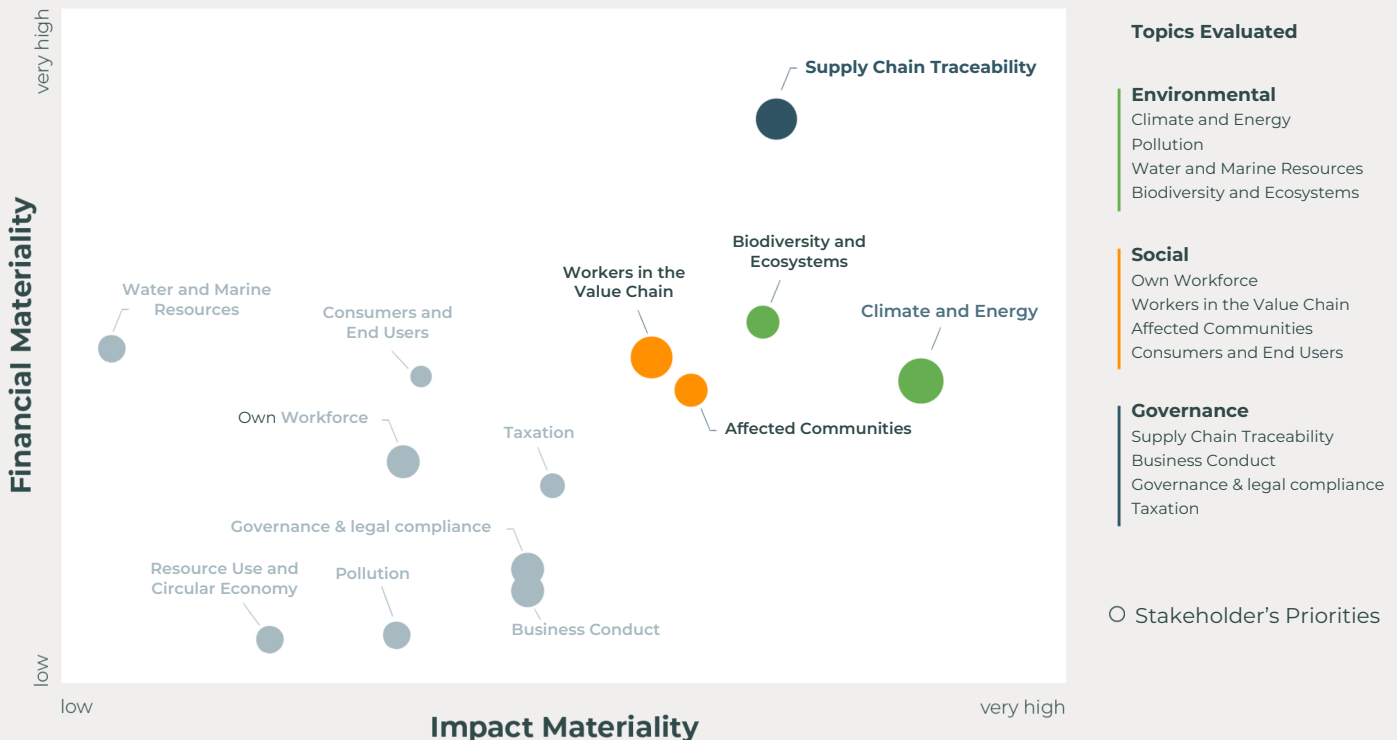
Double materiality also includes the benchmarking of the list of priority ESG topics against the impact each of them has, or can have, on the financial performance of a company and its business model. For this, our Enterprise Risk Management specialists worked alongside our ESG task force to identify 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

Environmental, Social and Governance (ESG)

Risk Description

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.

Mitigation/Measures

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 its Annual Social and Environmental Impact Report. Key elements of the Group's sustainability strategy and performance are described in more detail in the 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.

ESG Material Topic

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 the 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
<p>Rapidly shifting trends</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>Business transformation</p>	<p>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.</p>	<p>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.</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 (3) workers in the value chain (4) affected communities (5) supply chain traceability

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
<p>External political and economic environment</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>Long-term outsourcing agreements</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
<p>Talent and workforce management</p>	<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 the 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>
<p>Quality & food safety</p>	<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>
<p>Operations and supply chain</p>	<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
<p>Funding and liquidity</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>Legal, regulatory and compliance</p>	<p>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.</p>	<p>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.</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 (3) workers in the value chain (4) affected communities (5) supply chain traceability

Embedding Responsible Business Conduct

Our Approach to Due Diligence

The [OECD Guidelines for Responsible Business Conduct](#) 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”.

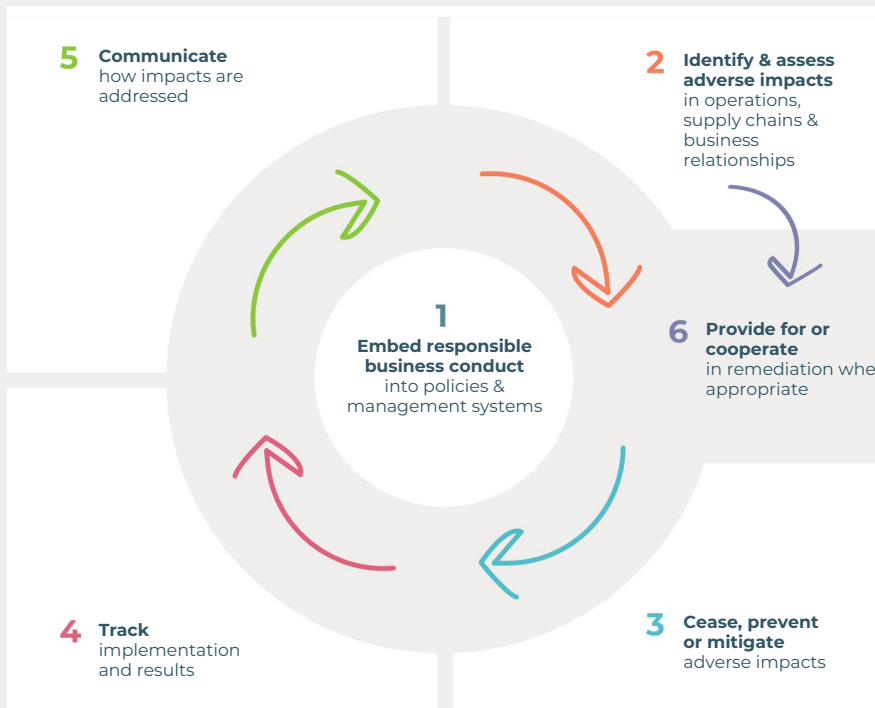
This framework applies universally to Barry Callebaut employees, suppliers, contractors, agency workers, and volunteers. It also extends to Barry Callebaut’s wholly owned affiliates and subsidiaries, as well as employees of any joint venture.

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.

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>

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 section in the [Annual](#)

Social and Environmental Impact 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 in the Annual Social and Environmental Impact Report.

Environmental Matters

Environmental matters

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.

Climate and Energy

Management of the material topic

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.

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](#).

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.

Environment

Carbon footprint KPI in tCO₂e¹	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)%	246,608	(8.6)%
Scope 1	125,314	118,777	5.5 %	118,281	5.9 %
Scope 2 (market-based)	100,058	128,327	(22.0)%	128,327	(22.0)%
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 ²	(388,433) ³	(231,408) ⁴	67.9 %	0 ⁵	
Total net carbon footprint (incl. removals)	12,998,610	13,184,392	(1.4)%	13,919,183	(6.6)%
Total net carbon intensity [tCO ₂ e / t of product]	5.71	5.79	(1.4)%	6.05	(5.6)%
KPI	2023/24	2022/23	2021/22	2020/21	2019/20
Energy					
Total energy consumed (MWh)	1,534,382	1,521,366	1,514,615	1,500,653	1,447,693
No. of factories using only renewable electricity sources	39	35	29	26	23

¹ The unit applies for the whole table, unless stated differently

² All carbon removals come from agroforestry insetting, independently verified by SustainCERT.

³ Scope 3 FLAG removals from agroforestry insetting.

⁴ After 2022/23 the amount excludes a 20% withholding buffer, safeguarding against potential unforeseen losses of planted trees under our agroforestry activities.

⁵ 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.

Biodiversity and Ecosystems

Management of the material topic

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.

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).

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.

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.

Water

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.

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 2025. 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.

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.

KPI	2023/24	2022/23	2021/22
Biodiversity and Ecosystems			
Hectares of agroforestry newly established	33,795	18,066	11,000
No. of shade trees distributed to farmers	6,586,223	7,458,928	9,016,742
% raw material volume proven to be free from deforestation	46.5 %	34.1 %	24.5 %
Water			
Total volume of water withdrawn (m ³)	2,309,384	2,519,901	2,519,901

Social Matters

Own Workforce

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.

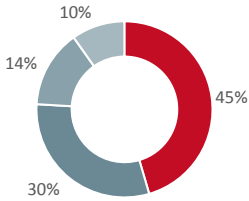
In fiscal year 2023/24 we published our [Health & Safety Mission Statement](#) which represents Barry Callebaut's commitment to providing a safe and healthy workplace. Our goal is to achieve zero accidents and zero harm for all employees, contractors, and visitors across our premises. We take responsibility 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 of August 31, 2024

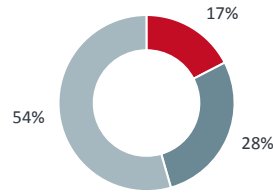
EMEA	6,103
Americas	4,091
Asia-Pacific	1,917
Africa	1,312
Number of employees	13,423



Employees per function

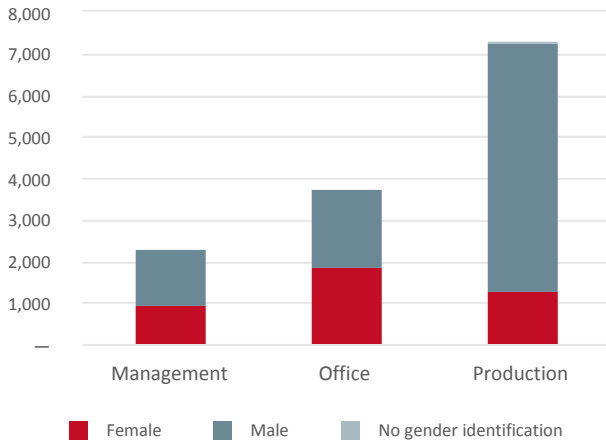
As at August 31, 2024

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



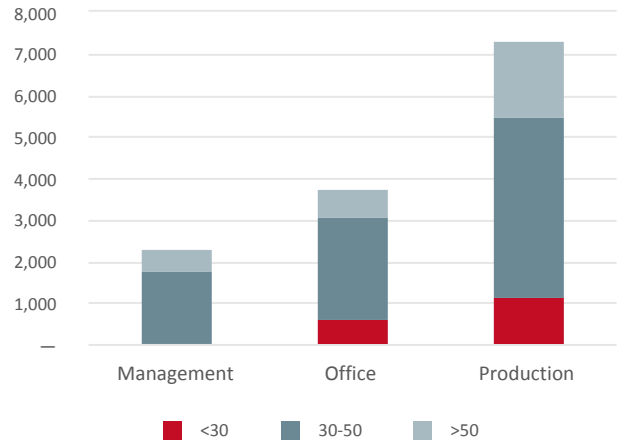
Gender of employees by function

As at August 31, 2024



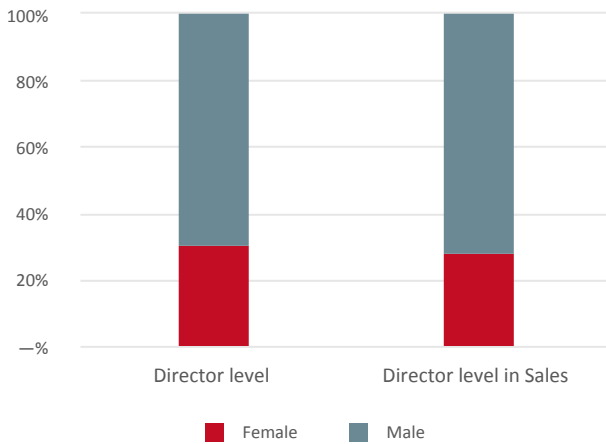
Age of employees by function

As at August 31, 2024



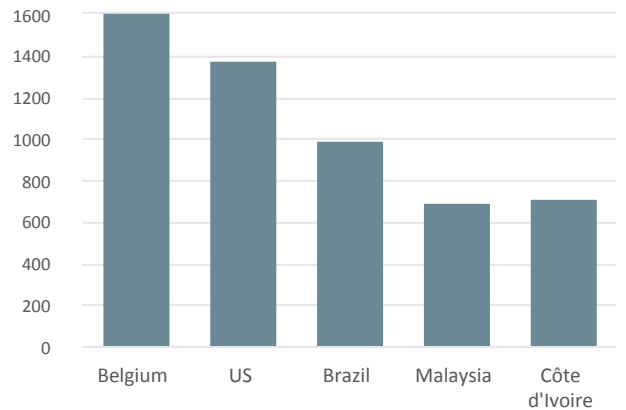
Gender representation at Director level

As at August 31, 2024



Top 5 nationalities

As of 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

Human Rights

Management of the material topic

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 actions go beyond addressing child labor, and focus on remediating all human rights issues in our supply chain.

A sustainable cocoa and chocolate supply chain starts with prospering farmers. 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.

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.

Our approach and policies

Our approach to the protection of human rights is via deployment of a human rights due diligence approach structured around the [OECD 6-step](#) 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.

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.

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.

Increasing cocoa farm yield to improve farmer income

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 approach 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. 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 income opportunities for local workers.

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.

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.

Human rights

KPI	2023/24	2022/23	2021/22	2020/21	2019/20
% farmer groups in our direct supply chain that have systems in place to prevent, monitor and remediate child labor	91.0 %	76.5 %	80.6 %	61.4 %	42.2 %
No. of child labor cases identified	19,389	53,839	25,235	21,258	22,965
No. of child labor cases under remediation	41,190	65,569	65,569	25,486	4,971
No. of remediated child labor cases	26,530	10,504	10,504	362	335
Hectares covered by programs to support farmers with paid labor groups	43,631	19,326	8,110	n/a	n/a

Governance

Combating Corruption and Bribery

Management of the material topic

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.

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	10	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	85	60
Corruption incidents and actions - Pending cases	10	5	10

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.

Supply Chain Traceability

Management of the material topic

By 2030 we will have 100% certified or verified cocoa (and other ingredients) in all our products, traceable to farm level. Traceability is a sine qua non for the implementation of our sustainability commitments.

Without a clear line of sight of where we are sourcing our cocoa and non-cocoa ingredients, we cannot guarantee the absence of deforestation, child labor, nor establish the amount of support required by the cocoa farmer. This commitment will therefore ensure a step change in the industry as currently more than half of the cocoa produced worldwide is not traceable.

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.

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. For those volumes which we do not source directly, we expect the same protocol from our suppliers. In addition to cocoa products, Barry Callebaut sources ingredients such as palm oil, sugar, and soy lecithin.

Sustainable Ingredients

KPI	2023/24	2022/23	2021/22
% of plots mapped within our direct cocoa supply chain	83.0 %	78.9 %	79.7 %
No. of plots mapped	669,174	547,804	399,413
% certified or verified agricultural raw materials sourced	56.2 %	59.6 %	50.0 %
% cocoa and chocolate products sold which contain certified or verified cocoa	55.5 %	51.5 %	49.4 %
% of certified or verified agricultural non-cocoa ingredients sourced	82.0 %	80.3 %	73.4 %
No. of farmers in our sustainability program	594,608	462,471	343,023
% women farmers in sustainability programs	15.0 %	14.7 %	n/a

Due Diligence Transparency in relation to Child Labor and Minerals and Metals from Conflict Areas

Our position on Human Rights and Child Labor is outlined in this report under [Social Matters](#) in accordance with Swiss Code of Obligations. We have clearly identified the risks of child labor, as well as our approach to identification and remediation. Our progress is tracked via KPIs which are reported annually and receive limited Assurance by PricewaterhouseCoopers. Our Global Supplier Code sets out expectations to uphold our high standards for product safety, quality, sustainability, and ethical business practices.

We expect our suppliers to comply with all applicable laws and regulations in force and effect at their legal seat, the place of performance and the place of delivery and final destination of the products and services - this may include laws relating to conflict minerals and metals. With respect to fiscal year 2023/24, Barry Callebaut has had no points of contact with conflict minerals or metals as defined in accordance with Art. 964a et seq. of the Swiss Code of Obligations. Therefore, is exempt from its due diligence and reporting obligations in this regard.

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.

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