



Sustainable Cocoa - the way forward

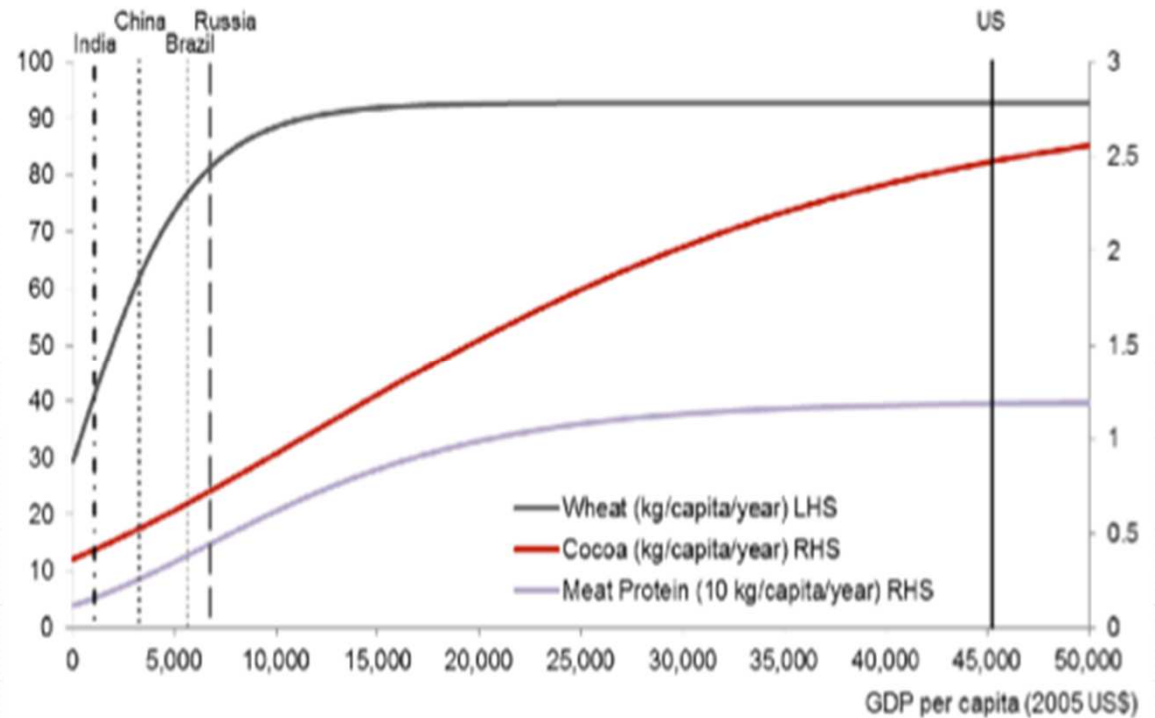
Nicko Debenham - VP Sustainability Cocoa



Why

Threats to our business

- ▶ Future cocoa supply is at risk
 - ▶ When wealth rises, there will be a significant and continuous increase in demand
 - ▶ Need to look 20 years out

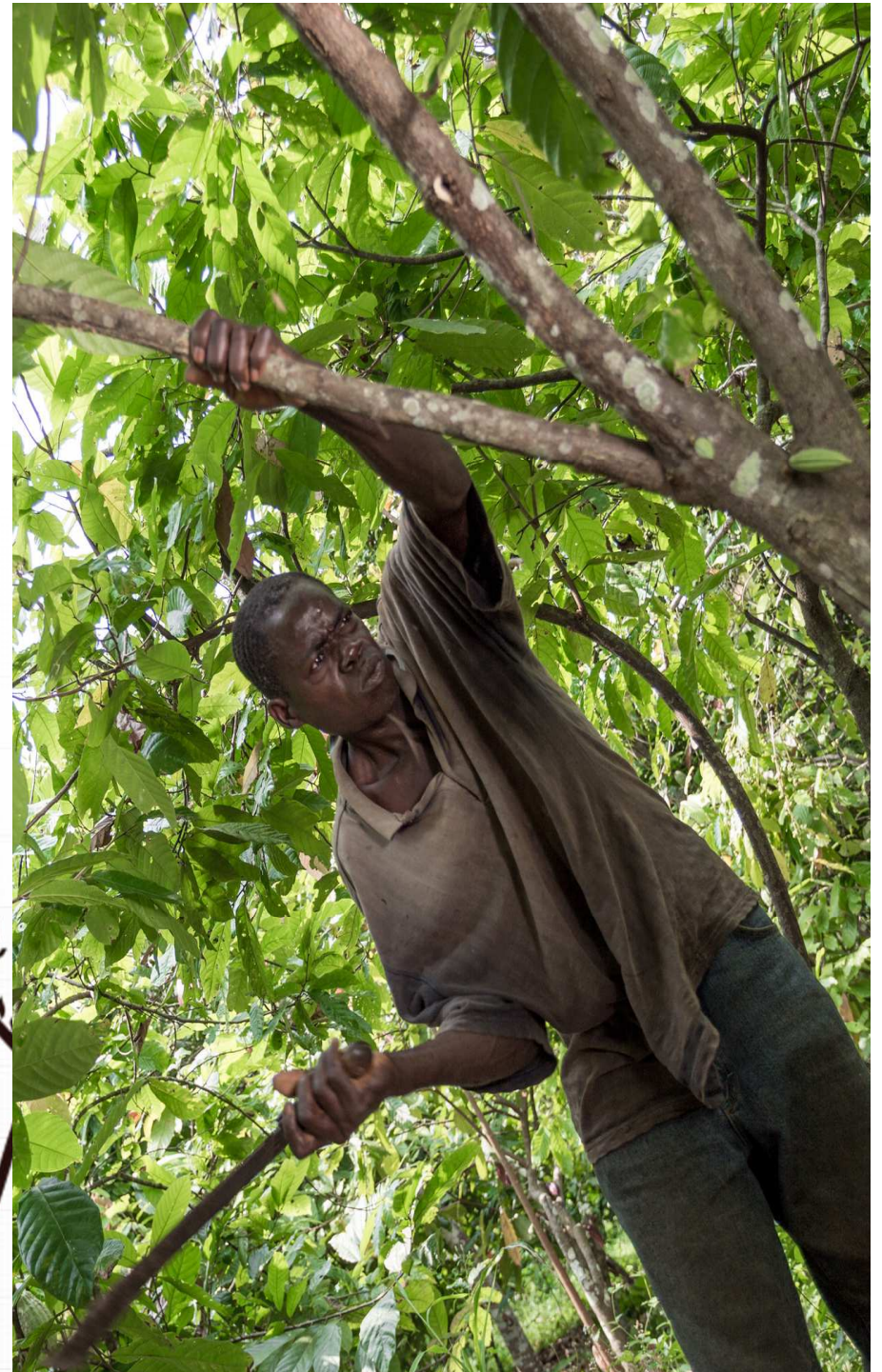
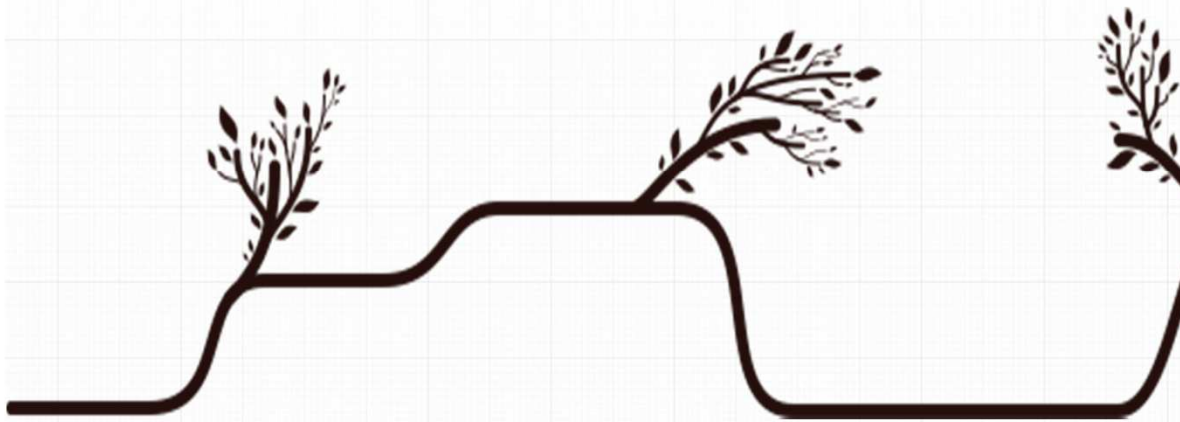


(Goldman Sachs, June 2014)

Why

Threats to our business

- ▶ Competitive Crops
- ▶ Cocoa farmer livelihood at unacceptable levels
- ▶ Who will be the next generation of cocoa farmers?



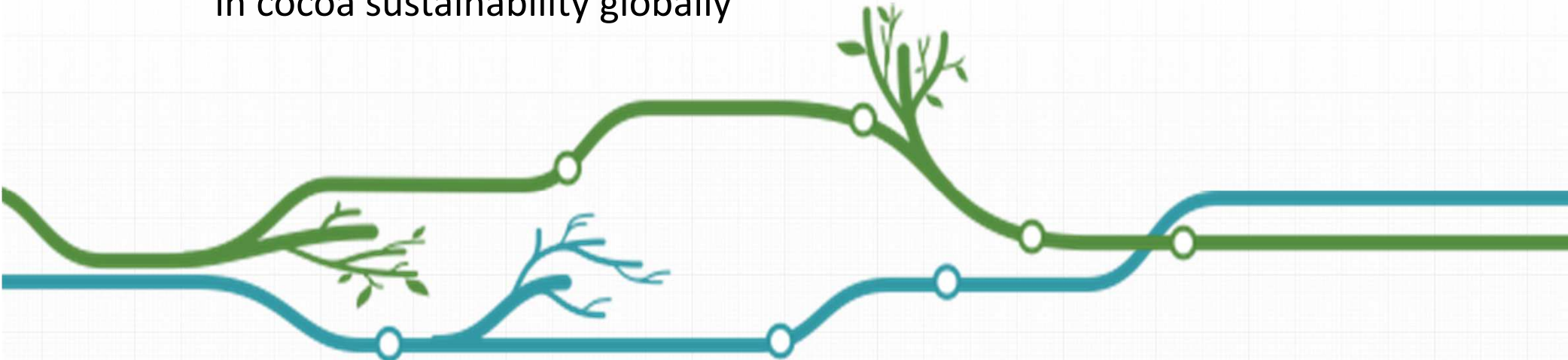
Barry Callebaut's Cocoa Sustainability Vision

▶ To be the leader in



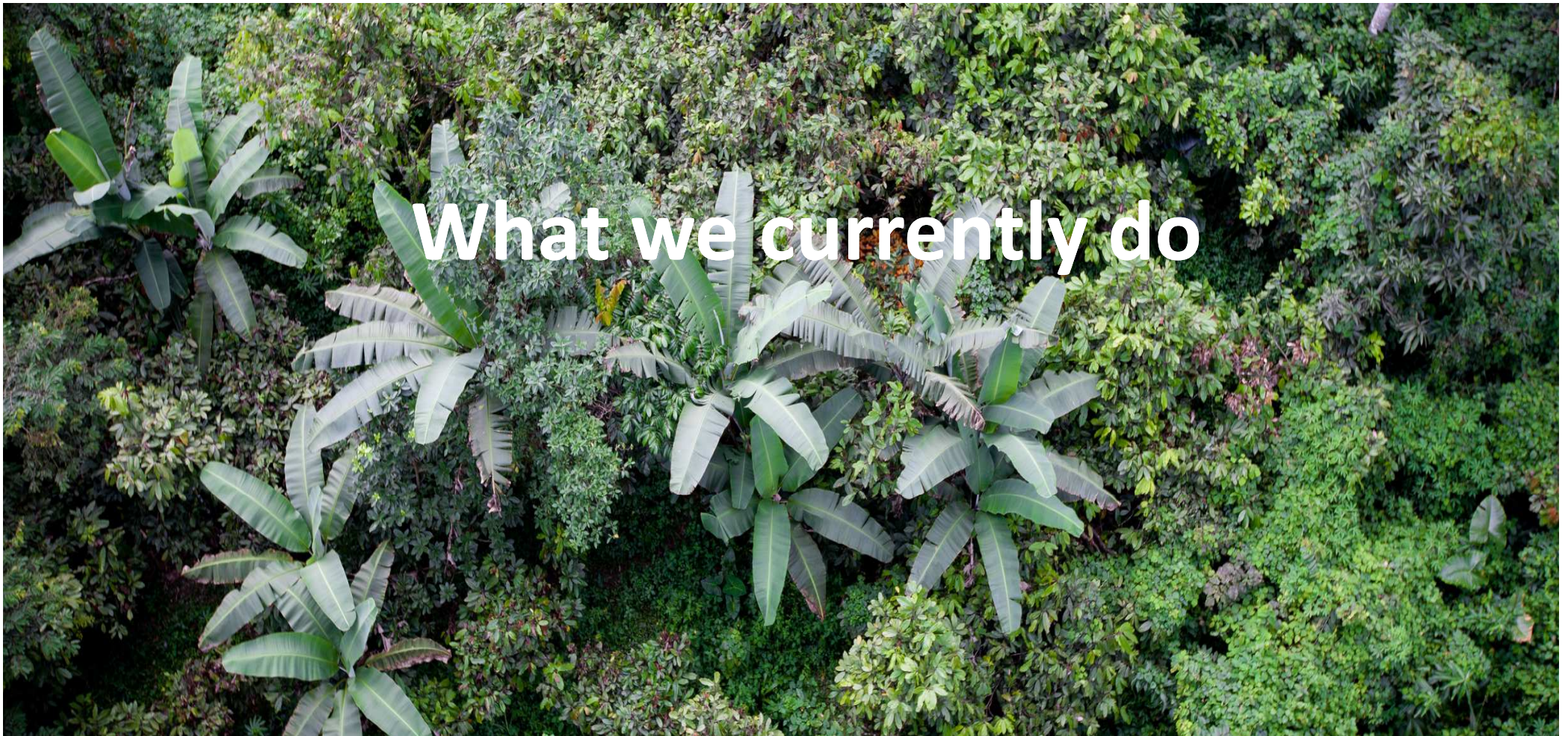
INNOVATION, IMPLEMENTATION and IMPACT

in cocoa sustainability globally



Sustainable Cocoa – the way forward

Nicko Debenham - What



What we currently do

Quality Cocoa for a Better Life

- ▶ What it is?
 - ▶ A **CHOCOLATE OR COCOA PRODUCT** sold by BC which supports our cocoa sustainability activities
 - ▶ These beans are sourced from farmers trained in BC sustainability activities
 - ▶ Initially handled according to mass balance principles

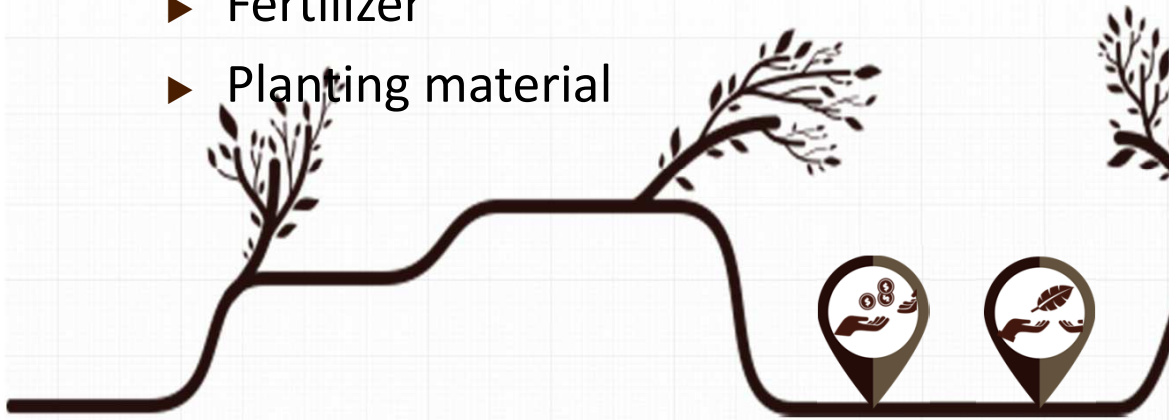
8 Cocoa Sustainability Activities behind the production of Barry Callebaut's own sustainable cocoa products:



- ▶ Farmer training
- ▶ Child labor mitigation
- ▶ Traceability
- ▶ Verification
- ▶ Transparency
- ▶ Farmer Premium
- ▶ Education
- ▶ Access to Safe Water

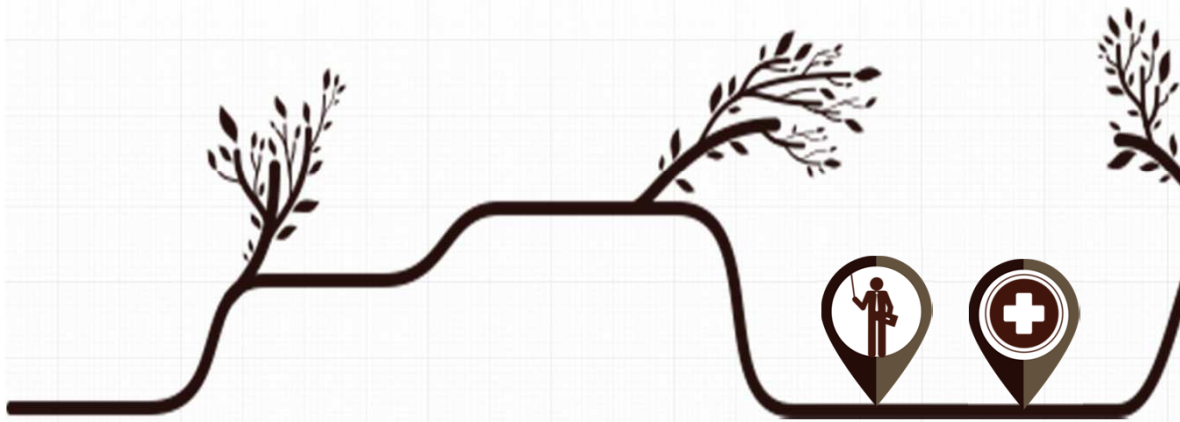
Productivity Package

- ▶ Making coops and farmers bankable
 - ▶ Micro-finance institutions
 - ▶ Guarantee funds
- ▶ Providing farmers with inputs and materials
 - ▶ Phytosanitary products
 - ▶ Fertilizer
 - ▶ Planting material



Education & Health

- ▶ Education
 - ▶ Construction of primary schools
 - ▶ Distribution of school kits
- ▶ Health
 - ▶ Construction of boreholes
 - ▶ Vaccination campaigns



Certified Cocoa

20% of Certified Criteria Unique

Rainforest Alliance

- Greater social and environmental emphasis

UTZ

- GAP for cocoa
- Harvest & post harvest mgt for cocoa

80% of Certified Criteria Overlaps

- ▶ Organization & Administration
- ▶ Environmental Aspects
- ▶ Social Aspects (RA, UTZ, FT)

Organic

- No use of chemical pesticides and fertilizers
- Segregated traceability

Fairtrade

- Cocoa cooperatives
- Fixed minimum price & premium

The Biolands Group

Barry Callebaut proprietary farmer to port traceable and direct sourcing model combined with sustainable activities.

Sierra Leone



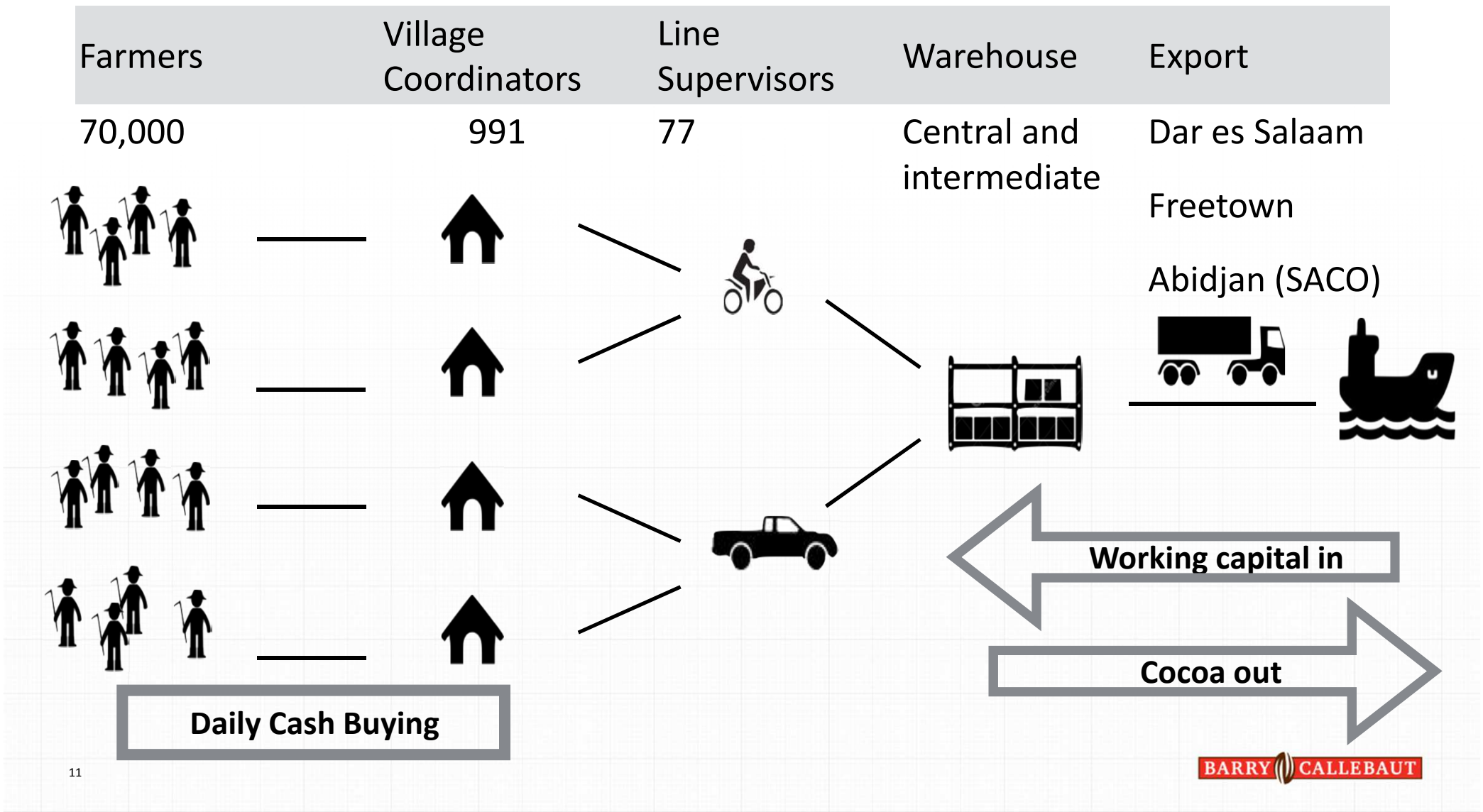
Ivory Coast



Tanzania



How it Works - Farmer to Port Sourcing Model





Cocoa Sustainability at Barry Callebaut

Nicko Debenham - How



How

Renovated House

Sustainable Cocoa

Innovation, Implementation, Impact

Productivity

- Farmer Training
- Inputs
- Planting Material
- Financing Solutions

Community

- Education
- Child Protection
- Women's Empowerment
- Health

KPIs





Sustainable Cocoa – the way forward

CocoaAction



Industry Collaboration

CocoaAction

- ▶ ChocoVision 2012 Sparked initiative
- ▶ Juergen Steinemann initiated Senior Leaders' Council
 - ▶ now Vice Chairman, WCF Board of Directors
- ▶ Nicko Debenham
 - ▶ Technical Working Committee
- ▶ Marina Morari
 - ▶ Community Development Working Committee
- ▶ Jacobs Foundation
 - ▶ Advisory Role, Community Development
- ▶ BC Alignment with CocoaAction Strategy
 - ▶ While going Above & Beyond

2014 / CHOCO
VISION



CocoaAction

Connecting farm productivity and community *Professional Farmers in Thriving Communities*



Professional cocoa farmers provide a primary source of livelihoods to the community...

... in which women have equal right to participate and where sufficient income is generated for kids to go to school.



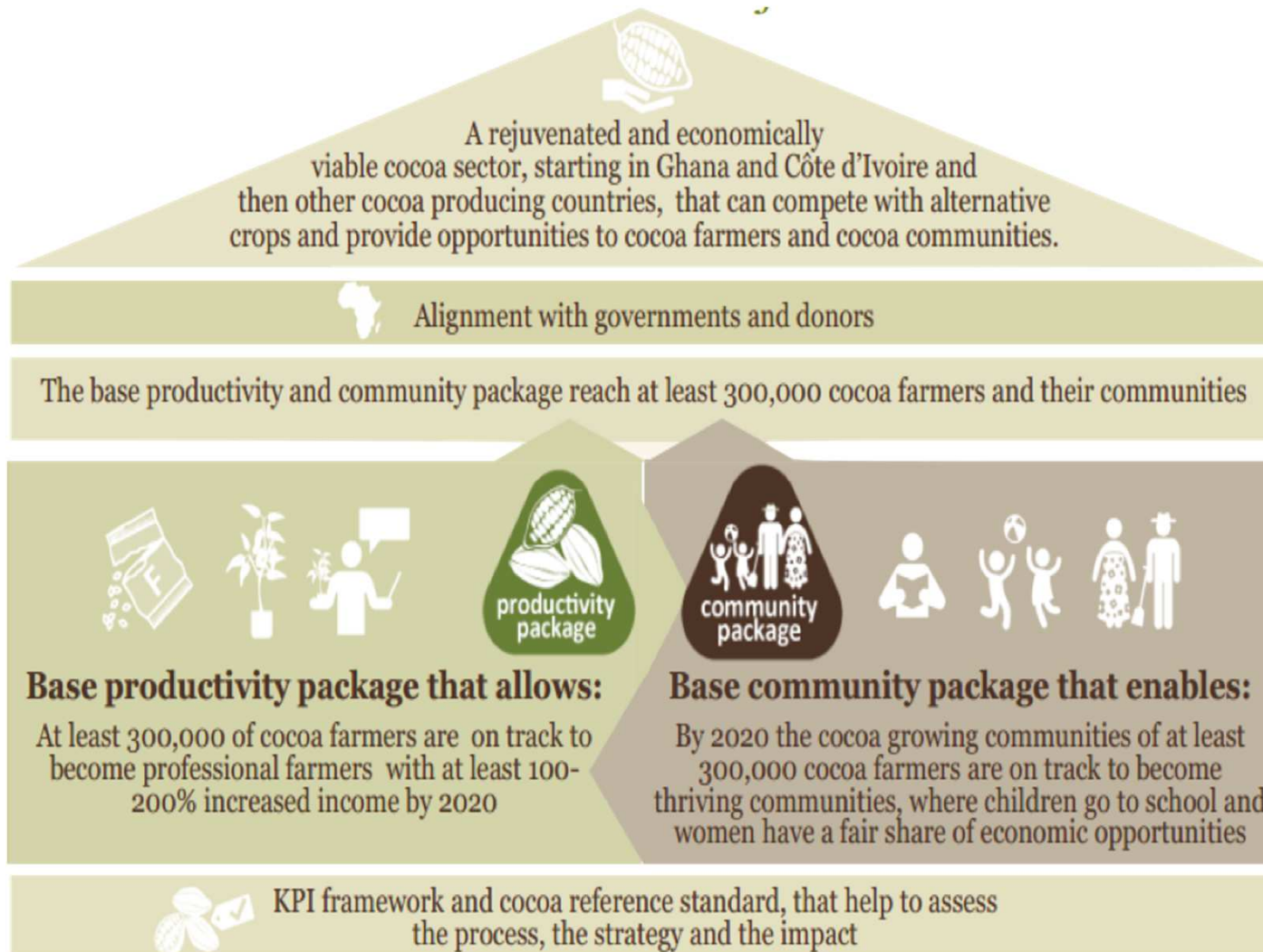
Professional Farmers
in
Thriving Communities



who create profitable, thriving farms thanks to the benefits of the Productivity Package...

... so that the community thrives and creates the next generation of educated, motivated cocoa farmers...

CocoaAction Vision: Towards a rejuvenated cocoa sector



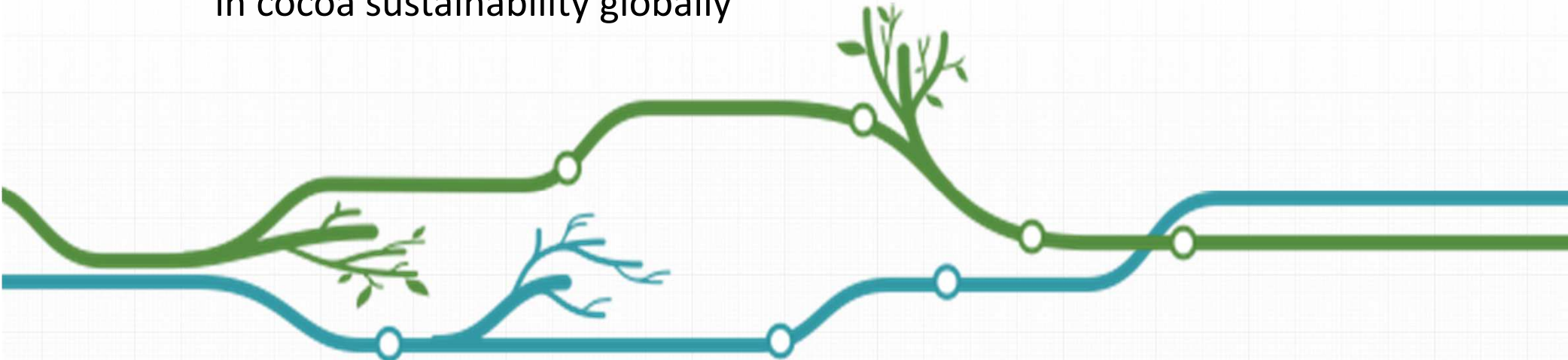
Barry Callebaut's Cocoa Sustainability Vision

▶ To be the leader in



INNOVATION, IMPLEMENTATION and IMPACT

in cocoa sustainability globally





Thank You