



**Barry Callebaut's  
Approach to  
Double Materiality**

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# Purpose and background

## At Barry Callebaut we are dedicated to making sustainable chocolate the norm.

As the global sustainability landscape evolves, we are committed to evaluating what priorities and risks our stakeholders in the chocolate and cocoa value chain deem important for us to focus our efforts on. We do this via regularly updating our ESG (Environmental, Social and Governance) materiality assessment to align with the evolving needs of our stakeholders and the changing dynamics of our industry.

The chocolate and cocoa value chain is characterized by its complexity and structural challenges, making it crucial to effectively identify and address key areas for achieving impacts. In 2023, Barry Callebaut conducted a comprehensive double materiality assessment to better understand and prioritize these areas. This process involved extensive engagement with a wide range of stakeholders. Their feedback and insights have been integral

to ensuring that our approach aligns with both the realities of the cocoa sector and the expectations of our stakeholders.

The purpose of our materiality assessment extends beyond compliance with reporting standards. It serves as a strategic tool, helping us to prioritize and report relevant sustainability issues systematically.

The following report outlines the methods and outcomes of our assessment, emphasizing ESG topics considered most critical by our stakeholders, in terms of their impact on the people, communities and the environment where we operate and assesses where we may face the most significant financial impact of external factors, such as climate change. It offers insights into our approach and sheds light on the rationale behind our focus areas in our overall ESG strategy.

### What is a double materiality assessment?

A materiality assessment is an analytical process through which a company identifies, assesses, and prioritizes ESG topics.

The concept of “double materiality” urges companies 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”). In recent years, this perspective has gained traction as it mirrors how ESG topics influence companies, providing a more holistic view on sustainability.

Beyond adhering to the GRI standards (2021), our materiality analysis also considered the EU's Corporate Sustainability Reporting Directive (CSRD) standards to embrace the latest methodological advancements in the field.

# Our assessment process

**We are committed to conducting robust sustainability material assessments that align with international standards and best practices across industries.**

To incorporate unbiased, external expertise, we collaborated with the ESG consultancy [denkstatt](#) for our 2023 double materiality assessment. Compared to our previous materiality assessment in 2021, we have further aligned our approach with the framework proposed by the EU-CSR regulation, executing a double materiality analysis organized into the following stages:

**\* Value Chain Analysis and ESG Topic Definition:** We identified ESG-related touchpoints in our upstream, downstream, and core processes. From these insights, we established an ESG topic framework that was subjected to further analysis.

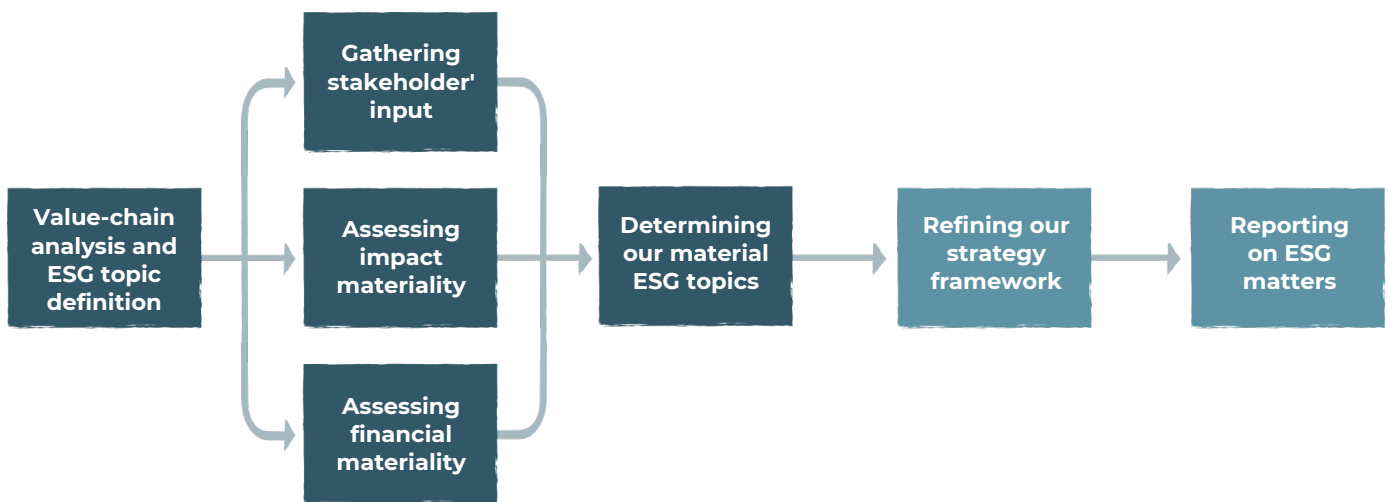
**\* Gathering Stakeholder Perspectives:** Ensuring stakeholder inclusion was a top priority for us. We conducted an extensive stakeholder survey and carried out detailed stakeholder interviews to gather a diverse spectrum of opinions on our ESG impacts.

**\* Sustainability Materiality Assessment:** We analyzed and evaluated the effects of Barry Callebaut's operations and the entire value chain on people and the environment.

**\* Financial Materiality Assessment:** Risks and opportunities arising from ESG topics were identified and evaluated for their financial impact on Barry Callebaut.

We combined the results of the different assessments to build our sustainability materiality matrix and determine the material topics we should focus on to have the greatest impact.

## Process overview



- Covered by Double Materiality Assessment processes
- Strategic and reporting implementation

# Value-chain analysis and ESG topic set

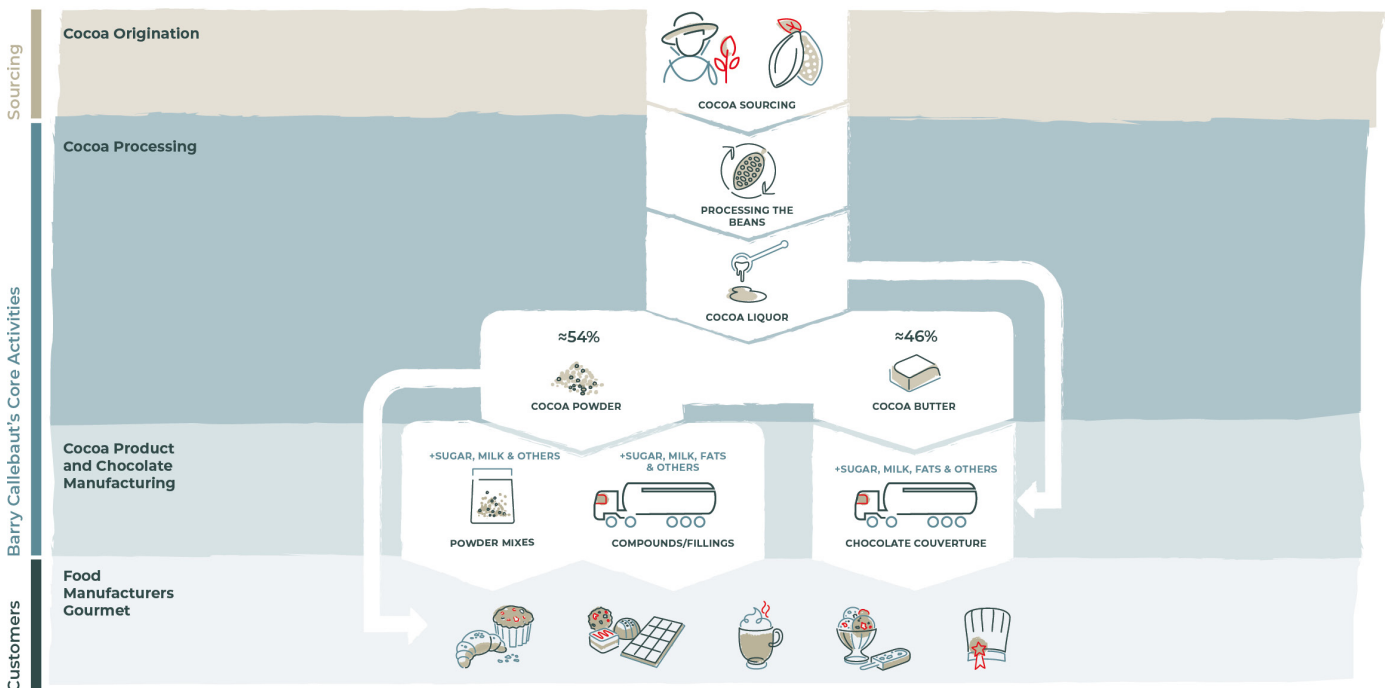
**Understanding one's own value chain in detail is the basis for conducting a high-quality materiality assessment and developing an appropriate list of ESG topics for further analysis.**

Our materiality analysis centers on a comprehensive examination of Barry Callebaut's value chain, encompassing both direct and indirect value chains. This analysis combined our knowledge of our processes with comprehensive research, systematically reviewing activities across our operations. Our goal was to identify both apparent and potential touchpoints

related to ESG matters along the entire value chain.

To include different perspectives, we incorporated input from external experts. This blend of external insights, paired with research and our knowledge, offered a holistic perspective on touchpoints for sustainability matters in our value chain. The sustainability topics were cross-referenced with the Corporate Sustainability Reporting Directive (CSRD) list of sustainability matters. This step was crucial in ensuring that our analysis was both comprehensive and aligned with emerging standards.

## An overview of Barry Callebaut's value chain



### ESG topic progression: aligning with the Corporate Sustainability Reporting Directive (CSRD)

For our 2023 materiality assessment, we opted for a more concise topic set up, defining 13 topics that comprehensively cover the ESG domains. This approach offers a clearer structure that will be reflected in upcoming reports. Previous ESG topics were transitioned into the new framework and embedded content-wise. The subsequent table illustrates the progression of our topics from 2021 to 2023.

| ESG topics 2023                          | ESG topics 2021  |             |
|--|--|-------------|
| <b>Climate and Energy</b>                | <ul style="list-style-type: none"> <li>- Deforestation and Forest Restoration</li> <li>- Climate Change &amp; GHG Emissions</li> </ul>   | Environment |
| <b>Pollution</b>                         | <ul style="list-style-type: none"> <li>- Biodiversity &amp; Soil Degradation</li> </ul>  |             |
| <b>Water and Marine Resources</b>        | <ul style="list-style-type: none"> <li>- Water Stewardship</li> </ul>  |             |
| <b>Biodiversity and Ecosystems</b>       | <ul style="list-style-type: none"> <li>- Deforestation &amp; Forest Restoration</li> <li>- Biodiversity &amp; Soil Degradation</li> </ul>  |             |
| <b>Resource Use and Circular Economy</b> | <ul style="list-style-type: none"> <li>- Packaging</li> <li>- Waste</li> </ul>   | Social      |
| <b>Own Workforce</b>                     | <ul style="list-style-type: none"> <li>- Occupation Health &amp; Safety</li> <li>- Diversity &amp; Inclusion</li> <li>- Employee Wellbeing &amp; Development</li> </ul>  |             |
| <b>Workers in the Value Chain</b>        | <ul style="list-style-type: none"> <li>- Living Income</li> <li>- Forced or Compulsory Labor</li> <li>- Women's Empowerment</li> </ul>   |             |
| <b>Affected Communities</b>              | <ul style="list-style-type: none"> <li>- Farmer Productivity</li> <li>- Poverty Alleviation &amp; Farmer Livelihood</li> <li>- Child Labor</li> <li>- Local Community Engagement &amp; Development</li> <li>- Women's Empowerment</li> </ul> |             |
| <b>Consumers and End Users</b>           | <ul style="list-style-type: none"> <li>- Health, Nutrition &amp; Clean Label</li> <li>- Product Quality &amp; Food Safety</li> </ul>   |             |
| <b>Supply Chain Traceability</b>         | <ul style="list-style-type: none"> <li>- Supply Chain Traceability</li> </ul>  |             |
| <b>Business Conduct</b>                  | <ul style="list-style-type: none"> <li>- Business Ethics &amp; Compliance</li> </ul>   | Governance  |
| <b>Governance</b>                        |  |             |
| <b>Taxation</b>                          |  |             |

A detailed description of the ESG topics can be found [in the Appendix](#).

# Gathering stakeholder input

**Engaging our stakeholders is an essential step in our materiality assessment. It helps us understand stakeholder expectations, incorporate their expertise and prioritize ESG topics.**

For our 2023 materiality assessment, we engaged with a diverse group of stakeholders (see: stakeholder participation process) aiming to capture their perspective and knowledge on essential sustainability matters. To achieve this, we employed a two-step approach.

Firstly, we gained quantitative data through an online survey, which attracted participation from internal and external stakeholders. The purpose of the survey was to gain a broad overview of the stakeholders' assessments of the ESG topics. Participants were asked to evaluate all ESG topics in terms of significance for them and to identify the ESG topics they believe Barry Callebaut should prioritize. The results of these two questions were equally weighted and combined in the results.

An open-ended segment was added at the survey's end, providing stakeholders with an anonymous opportunity to express their additional thoughts and comments on the subject.

In the second step, in-depth interviews were conducted with external

stakeholders, including customers, investors, NGOs, and farmer representatives. The goal of these discussions was, on one hand, to cross-check and validate the results from the stakeholder survey and, on the other hand, to gain a deeper understanding of central impacts and capture additional aspects. To facilitate open dialogue, the interviews were conducted by our consulting partners without the presence of Barry Callebaut representatives.

Barry Callebaut has integrated interviews with cocoa farmers into our double materiality process to underscore our unwavering commitment to comprehensive sustainability and ethical business conduct. By directly engaging with cocoa farmers, we acknowledge the importance of considering both financial and non-financial factors in our decision-making framework. These interviews enable us to gain insights into the perspectives, challenges, and aspirations of the farmers, allowing us to evaluate the economic, social, and environmental impacts of our operations. Embracing the principles of the double materiality concept, we recognize the intrinsic connection between corporate performance and broader societal and environmental concerns.

Through these conversations, we seek to ensure that our business practices not

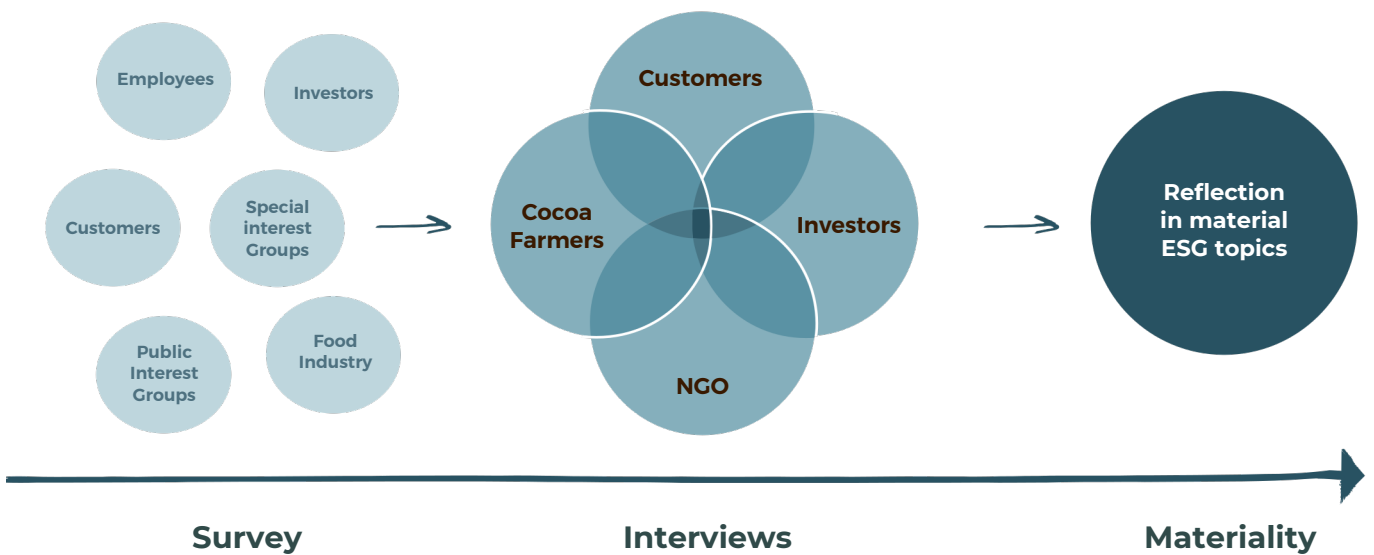
## Incorporating cocoa farmers' perspectives

Understanding the perspectives, challenges, and aspirations of cocoa farmers aligns with the principles of the double materiality concept. This inclusive approach ensures that our process considers a diverse range of stakeholders, recognizing the interconnected nature of economic, social, and environmental factors. Incorporating cocoa farmers' perspectives on what they consider to be the material ESG topics for Barry Callebaut, aims to foster a more comprehensive and equitable materiality assessment, aligning with our commitment to responsible business practices across our entire supply chain.

only drive economic success but also contribute positively to cocoa-producing communities and the environment and vice-versa. In doing so, we aim to create shared value across our entire supply chain, demonstrating our commitment to responsible and sustainable cocoa sourcing.

The combination of a quantitative survey with qualitative interviews was crucial for our process to achieve both breadth and depth of insight. Thus, we were able to incorporate the insights obtained into the assessment of both impact materiality and financial materiality.

### Stakeholder participation process



### Key results

The top three topics rated by stakeholders were Workers in the Value Chain, Climate and Energy, and Biodiversity and Ecosystems, with Supply Chain Traceability and Affected Communities closely following<sup>1</sup>.

The interviewees confirmed the results of the survey and chose similar topics as the most important ones.

Additionally, several key aspects were underscored, such as the crucial importance of climate change adaptation and resilience of cocoa farms, a significance projected to intensify in the future. Holistic actions are expected, for instance, concurrently addressing sustainable agriculture and living income. Furthermore, the importance of reinforcing alliances with on-the-ground stakeholders was highlighted to, among other things, ensure traceability to the plantation.

Highest-rated topics from stakeholder's perspective:

- 
**Workers in the Value Chain**
- 
**Climate and Energy**
- 
**Biodiversity and Ecosystems**

<sup>1</sup> Detailed descriptions of each topic can be found in the Appendix.



# Assessing impact materiality

**We are aware that our activities are impacting humans and nature in different parts of the world. For our materiality assessment, we diligently assessed our impacts to align our actions accordingly.**

Our impact assessment is rooted in the value chain analysis we conducted, where we identified impacts stemming from upstream, downstream as well as our own core processes. We accounted for not only the impacts that are presently evident but, importantly, potential impacts that might become apparent in the future. We assessed the identified impacts using three key evaluation categories. Scale refers to the magnitude of the impact on the quality of life of those affected or on

the environment. Scope considers the geographic distribution and the number of individuals impacted. Irremediability evaluates the feasibility and extent to which any adverse impacts can be addressed and corrected.

To gain an independent perspective on our impacts, the sustainability experts at our consulting partner undertook the primary evaluation, fine-tuned in discussions with our subject-matter experts. Additionally, the outcomes of existing carbon footprint calculations for climate-related topics were taken into account, as were internationally recognized indicators (e.g., Corruption Perception Index, Global Rights Index) for social and governance topics.




## Impact assessment categories



## Key results

In our evaluation of impacts on humans and nature, three topics stood out with notable assessment results in scale, scope, and irremediability: Climate and Energy, Biodiversity and Ecosystems, and Supply Chain Traceability. Additionally, Affected Communities and Workers in the Value Chain were other topics that registered a high impact assessment<sup>2</sup>.

Highest-rated topics assessing impact materiality from stakeholder's perspective:

-  **Climate and Energy**
-  **Biodiversity and Ecosystems**
-  **Workers in the Value Chain**

<sup>2</sup> Detailed descriptions of each topic can be found in the Appendix

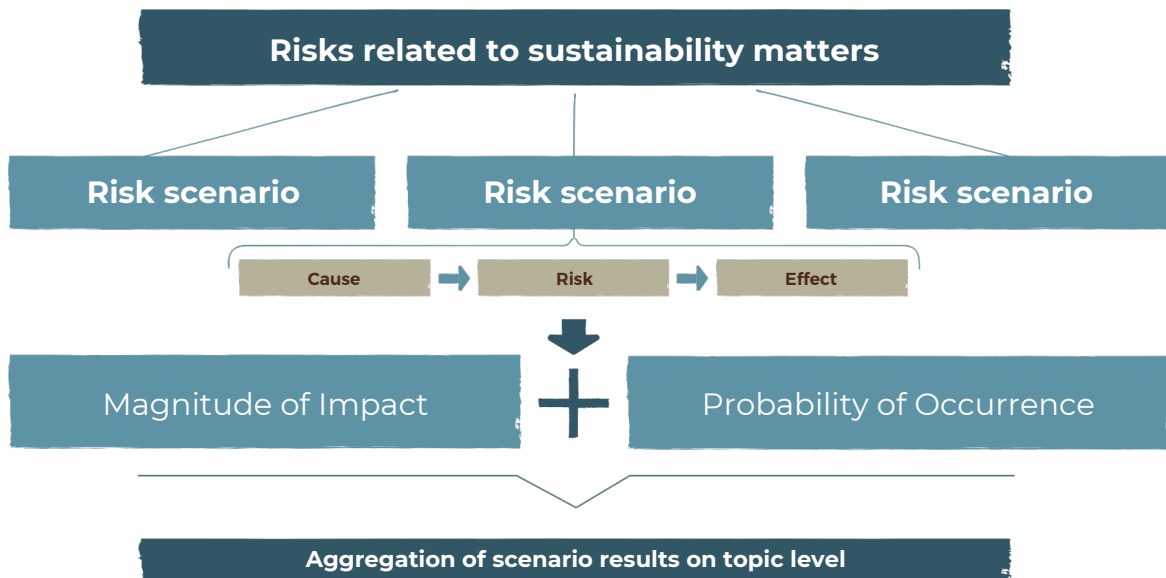
# Assessing financial materiality

**A key principle of a double materiality perspective is to assess the influence and impact ESG topics have, or can have, on a company’s financial performance and overall business model.**

For Barry Callebaut, this interplay is crucial for ensuring long-term resilience and value creation in our operations. To capture the significance of ESG topics on Barry Callebaut’s business development, financial position, financial performance, cash flows, and access to finance or cost of capital, our Enterprise Risk Management specialists worked alongside our ESG task force to identify

diverse risks tied to sustainability matters. In this process, the entire value chain was analyzed and a time horizon up to 2030 was adopted. For every identified risk we derived a probable scenario detailing its cause, the inherent risk, and the potential financial effect on Barry Callebaut.




The scenarios were assessed based on the magnitude of impact (measured in millions of CHF) and likelihood of occurrence, using an internal survey in which about 80 of our in-house experts, managers, and risk owners participated. The insights derived from this survey were then mapped to relevant ESG topics and consolidated into a topic score.



## Key results

We’ve determined that Supply Chain Traceability holds the highest potential financial impact on our business. This is largely because many measures require traceable supply chains as a base to be successful. Other high-rated topics include Biodiversity and Ecosystems, Workers in the Value Chain, Climate and Energy, and Affected Communities<sup>3</sup>.

Highest-rated topics assessing financial materiality from stakeholder’s perspective:

-  **Supply Chain Traceability**
-  **Biodiversity and Ecosystems**
-  **Workers in the Value Chain**

<sup>3</sup> Detailed descriptions of each topic can be found in the Appendix

# Determining our material ESG topics

**Results from the previous process steps were consolidated and served as the foundation for making an informed decision about our material topics.**

The assessment results were discussed with the ESG Committee, which is comprised of members of the Executive Committee. During this workshop, the materiality threshold was defined, and the material topics were determined. A clear

consensus emerged around five standout topics as being material: Supply Chain Traceability, Climate and Energy, Biodiversity and Ecosystems, Workers in the Value Chain, and Affected Communities. Throughout the assessment, these topics consistently emerged as priorities, from a stakeholder, impact and financial perspective.

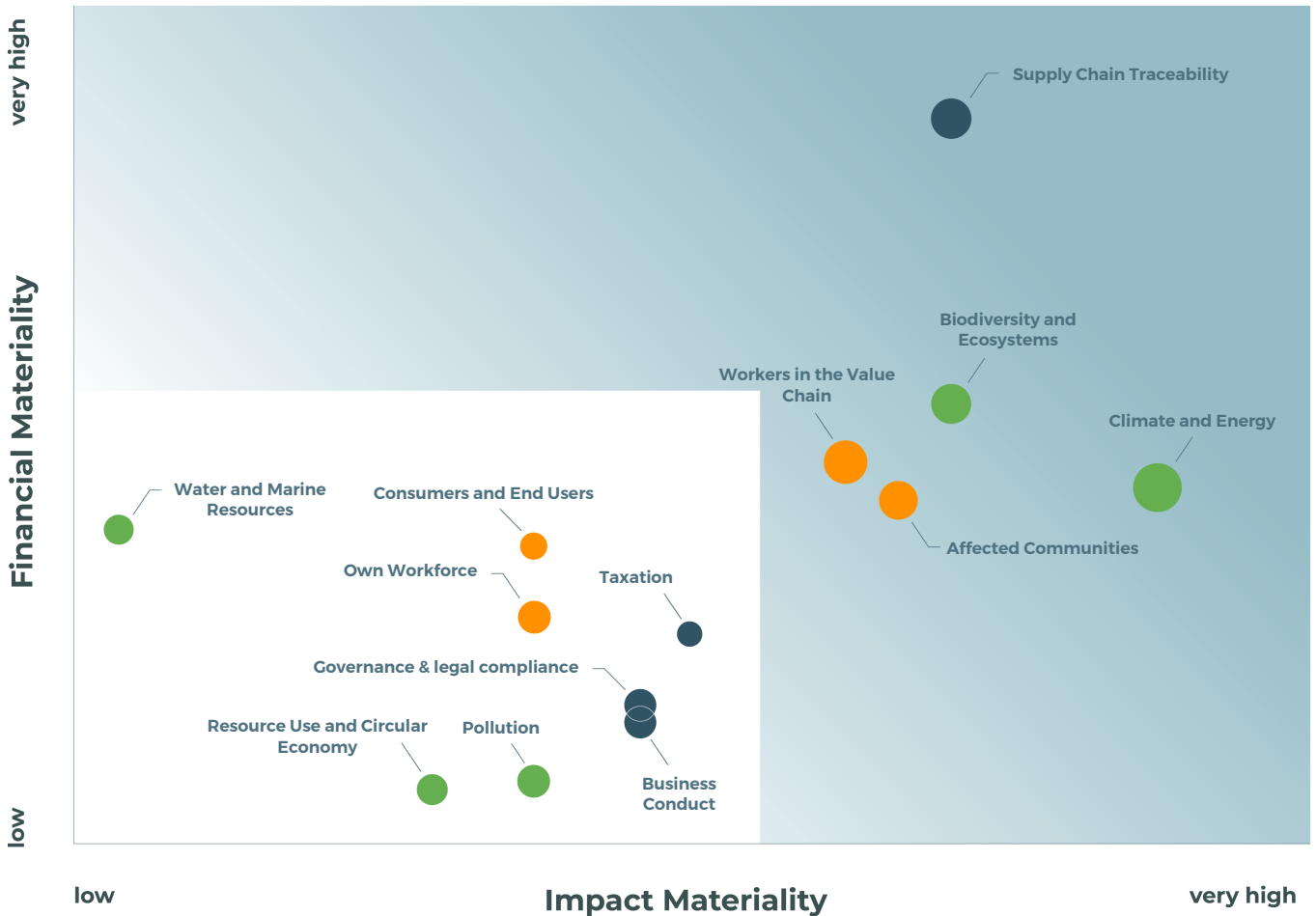
The material topics were approved at the Board of Directors' meeting in April 2023.

## Detailed results for each assessment step:

| Topic                             | Stakeholder's priorities | Sustainability Impact Materiality | Financial Materiality | Material topic |
|-----------------------------------|--------------------------|-----------------------------------|-----------------------|----------------|
| <b>Environmental</b>              |                          |                                   |                       |                |
| Climate and Energy                | ●                        | ●                                 | ○                     | ★              |
| Pollution                         | ○                        | ○                                 | ●                     |                |
| Water and Marine Resources        | ●                        | ●                                 | ○                     |                |
| Biodiversity and Ecosystems       | ●                        | ●                                 | ●                     | ★              |
| Resource Use and Circular Economy | ●                        | ●                                 | ●                     |                |
| <b>Social</b>                     |                          |                                   |                       |                |
| Own Workforce                     | ○                        | ○                                 | ○                     |                |
| Workers in the Value Chain        | ●                        | ●                                 | ●                     | ★              |
| Affected Communities              | ●                        | ●                                 | ○                     | ★              |
| Consumers and End Users           | ●                        | ○                                 | ○                     |                |
| <b>Governance</b>                 |                          |                                   |                       |                |
| Supply Chain Traceability         | ●                        | ●                                 | ●                     | ★              |
| Business Conduct                  | ○                        | ○                                 | ●                     |                |
| Governance & legal compliance     | ○                        | ○                                 | ●                     |                |
| Taxation                          | ●                        | ○                                 | ○                     |                |

● High    ○ Medium    ● Low

# Materiality matrix



- Materiality threshold
- Stakeholder's Priorities  
Size of the bubble depends on rating on stakeholder survey

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.

# Refining our ESG strategy framework and reporting

**For Barry Callebaut, materiality assessment is an essential tool in reviewing and refining our ESG strategy regularly. Our 2023 double materiality assessment reinforces our focus on Prospering Farmers, Human Rights, Thriving Nature, and Sustainable Ingredients.**

Barry Callebaut's 'Forever Chocolate' strategy is fluid, recognizing that our understanding of a sustainable chocolate supply chain is both deepening and evolving. Consequently, we refined our 'Forever Chocolate' objectives in May 2023, introducing new targets and sharpening existing ones. The materiality assessment

we carried out from January to March 2023 serves as a testament to this progression. It showed that our 'Forever Chocolate' strategy is adapting in tandem with stakeholder expectations and is prioritizing areas where significant impacts and risks have been identified. A prime example of this is our revised goal to achieve complete traceability to the farm level within our supply chain by 2030. This includes both certification and verification processes, an issue which was highlighted as crucial from both stakeholder and impact perspectives in our materiality assessment.

## Next Steps:

**Going forward, we will continue our long-standing commitment to sustainability. Our aim is to continuously improve and implement ESG-specific oversight structures, agile resilience and adaptation measures, robust supply chain traceability and due diligence processes and effective reporting frameworks.**

A dedicated ESG task force is employed to oversee, coordinate and align all relevant ESG activities in order to achieve those objectives. The before mentioned 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. We will report on our material ESG topics within our Forever Chocolate Annual Report. For future reporting cycles, we will transition to the CSRD reporting framework. Furthermore, we recognize the changing nature of risks, opportunities, the impact landscape, and stakeholder inputs. As a result, we will regularly conduct materiality assessments to ensure our priorities remain in tune with future developments and our stakeholder expectations.

# Appendix

| Dimension   | Sustainability topic        | Description  |
|-------------|-----------------------------|--|
| Environment | Climate and Energy          | <p>Topic themes include: deforestation and forest degradation, forest restoration, agroforestry, climate change and greenhouse gas emissions.</p> <p>The emission of greenhouse gases (GHG) such as carbon dioxide or methane caused by human activities creates a natural "greenhouse effect" in the atmosphere. This causes a global rise in temperatures. Climate disasters and environmental impacts such as floods, droughts, storms, etc., with significant damage and costs, are the result.</p> <p>On average, GHG emissions in a food company's supply chain are 87% of its total emissions. For Barry Callebaut, this means that its emissions extend beyond the locations and facilities and encompass the impact of all supply chains. Included are the production and processing of all the raw materials sourced and related Land Use Changes (LUC), which refers to the conversion of the previous natural landscape to agricultural land. Protecting forests from deforestation can contribute to climate change mitigation as trees absorb CO<sub>2</sub>. Agroforestry and forest restoration interventions aim to mitigate climate change's impact while helping farmers to prosper and increase their long-term productivity. Also, reducing energy consumption and switching to renewable energy sources can reduce greenhouse gas emissions.</p> |
|             | Pollution                   | <p>Topic themes include: water pollution, use of bio-fertilizers, waste management, adequate pesticide use.</p> <p>Pollution has severe effects on people's health and well-being as well as on the environment. Air pollution can cause both respiratory diseases and cardiovascular problems. Water pollution, including groundwater, can cause supply problems and health risks. Soil pollution can affect agricultural productivity and reduce food quality. At the same time, chemicals and other harmful substances can negatively impact entire ecosystems and lead to soil degradation.</p> <p>Sustainable and ecological agricultural methods, such as using biological amendments instead of synthetic fertilizers, or adequate use and handling of pesticides can reduce pollution and its negative impacts while preserving soils. In production, pollution can be reduced with the help of technological solutions and conscientious handling of hazardous substances.</p>  |
|             | Water and Marine Resources  | <p>Topic themes include: water stewardship</p> <p>Availability and good water quality are essential for human health, social and economic development and functioning ecosystems. Water withdrawal for industrial use and agriculture can severely impact areas with low water availability.</p> <p>Cocoa grown in major cocoa producing areas, such as West Africa, is rain-fed and does not pull water from water systems. However, unpredictable rainfall (e.g., in the wrong season, heavy rain) and rising temperatures can exert stress on cocoa crops and local community water supply. Soil water conservation strategies, such as agroforestry to increase on-farm moisture, and planting of shade trees, can help to secure water resources. Safe, accessible and good-quality water is essential to the health of people and ecosystems, sustaining communities and supporting long-term economic development in these areas.</p>   |
|             | Biodiversity and Ecosystems | <p>Topic themes include: biodiversity, agroforestry, reforestation and ecosystem protection.</p> <p>Biodiversity refers to all the different kinds of life one can find in an area. It is crucial for the survival of all species, including humans. Biological diversity provides the foundation for maintaining fertile soils, clean water, a pleasant climate, and fresh air through plants, fungi, and microorganisms. Land use refers to how people utilize the land and its resources for their needs.</p> <p>Biodiversity-friendly cocoa farming locates cocoa crops in the shadow of other trees. Additionally, cocoa grown in the shade is linked to increased biodiversity, carbon removals, and nutrient retention in the soil. Enhancing on-farm ecosystems helps farmers develop cocoa farms that are more resilient to drought and diseases, have better soil quality, and support farm productivity and long-term livelihood.</p>   |

| Dimension     | Sustainability topic              | Description   |
|---------------|-----------------------------------|---|
|               | Resource Use and Circular Economy | <p>Topic themes include: packaging and waste</p> <p>The materials used in the production of products and their packaging have an impact on the environment. Renewable materials come from resources that are easily replenished and in abundance. They are obtained from natural processes such as farming, raising animals, and fishing. In contrast, non-renewable natural resources are not regenerative and exist in a constant total stock on earth.</p> <p>Packaging materials can contribute to a significant part of negative environmental impacts. Reducing the use of packaging materials as well as using sustainable materials can help reduce these impacts. The application of recycled materials, packaging material reduction and the assurance of recyclability can contribute to a circular economy. Optimized processes, excess material reuse, and a refined waste management system can also lessen environmental impacts.</p>  |
| <b>Social</b> | Own Workforce                     | <p>Topic themes include: occupational health &amp; safety, diversity and inclusion, employee well-being and development</p> <p>Barry Callebaut plays a significant role in shaping its employees' working conditions, health, and satisfaction. This includes providing safe work environments, fair compensation and benefits, career development opportunities, and overall well-being for all Barry Callebaut employees, whether in the offices, production, logistics or elsewhere.</p> <p>Some central topics are the prevention of workplace accidents, excessive workload and burnout. Investing in employee development and training can boost productivity, quality, motivation and adaptability to changing work requirements. Additionally, promoting diversity and inclusion within the company is vital for creating a positive and inclusive work culture for all employees, regardless of their backgrounds or identities. By valuing and embracing diversity, companies can build a more engaged and motivated workforce, leading to a more productive and innovative organization.</p>   |
|               | Workers in the Value Chain        | <p>Topics themes include: living income, human rights, forced labor, farmer productivity, poverty alleviation &amp; farmer livelihood</p> <p>Companies impact the working conditions and well-being of people working in their supply chains. Adherence to human rights as defined by international guidelines, principles and regulations, such as, amongst others, the Universal Declaration of Human Rights International Labor Organization, OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, should be ensured by companies. Although forced labor has a rare occurrence in cocoa farming, the industry, together with governments of the cocoa growing countries, should continue to enforce strategies to combat this abhorrent practice.</p> <p>Another critical factor is the provision of a living income* to farmers, as poverty is an underlying cause for other sustainability concerns in the cocoa supply chain, such as deforestation and child labor. Companies can support farmers to achieve a living income through various programs and interventions aiming to tackle productivity, access to inputs, pre-harvest work, as well as access to premium payments and financing, amongst others.</p> <p>Supporting cocoa farmers to improve yield, can include interventions such as providing planting material, implementation of productivity packages and financial support for third-party labor services.</p> <p>*Living income refers to an income sufficient to afford a decent standard of living for all household members, including a nutritious diet, clean water, decent housing, education, healthcare, among other essential needs, plus extra funds for emergencies and saving.</p> |

| Dimension         | Sustainability topic      | Description   |
|-------------------|---------------------------|---|
|                   | Affected Communities      | <p>Topic themes include: child labor, local community engagement and development, women's empowerment</p> <p>A company's activities impact the people and the environment in the communities where it operates. This includes communities that live or work directly at the company's locations as well as the communities along the company's direct and indirect supply chain.</p> <p>Barry Callebaut sources cocoa and other commodities from regions where child labor, occurring largely on family farms and defined as children doing work when too young or work that endangers them, is widespread. Addressing child labor can be approached under a human rights due diligence framework modeled after OECD Due Diligence Guidance for Responsible Business Conduct. Community systems approaches extend to programs focussed on increasing engagement with children, parents, families and community leaders to create empowered communities that guide their own development and make lasting change for the future.</p> <p>Women empowerment is a key element for achieving the transformational economic, environmental and social changes required for sustainable development. Therefore, Barry Callebaut's approach integrates activities aiming to promote women's empowerment, particularly through access to financing and savings programs, as well as promotion of income-generating activities.</p> |
|                   | Consumers and End Users   | <p>Topic themes include: product quality &amp; food safety, health, nutrition &amp; clean label</p> <p>Companies bear responsibility for the impact of their products on the health and well-being of consumers. The highest standards of product quality and safety can ensure that the consumption of the products does not pose a health risk. The food industry has an additional responsibility to inform its customers regarding the impact of excessive consumption of fat and sugar-containing products on their health.</p> <p>Barry Callebaut can support its business partners in achieving the highest possible product quality and healthy and nutritious products for end consumers. Clean labels, i.e. products that only contain easy-to-recognize ingredients and no artificial ingredients or synthetic chemicals, can be an essential instrument for accomplishing these objectives.</p>   |
| <b>Governance</b> | Supply Chain Traceability | <p>Topic themes include: supply chain traceability</p> <p>Supply chain traceability refers to the ability to track and trace the origin, movement and handling of raw material, food, food-producing animals, and packaging material. This process covers all stages of the value chain, from sourcing, production, processing, and distribution, to ensure that commodities and products are safe and sustainable.</p> <p>It allows the supply chain's social impacts, such as labor rights and working conditions, or environmental impacts, such as deforestation and carbon emissions, to be visible. Traceability systems are also vital for identifying and preventing food safety hazards and ensuring food quality and authenticity. Additionally, it helps meet regulatory requirements, increase efficiency and resilience, reduce costs, and build consumer trust. Traceability can be seen as a prerequisite for sustainable and high-quality products and operations.</p>  |
|                   | Business Conduct          | <p>Topic themes include: corporate culture and business conduct, management of relationships with suppliers, payment practices</p> <p>Business conduct encompasses how a company conducts its activities and manages its relationships with stakeholders. A vital component is having a corporate culture that fosters ethical and moral behavior. This is reflected in e.g. sustainable relationships with suppliers and ensuring fair and ethical business practices, including timely payment practices.</p> <p>To ensure these standards are met, a variety of measures can be taken. For example, the implementation of training programs for the employees and fostering of an ethical company culture can be named. In regards to suppliers audits, training, questionnaires or contracts can ensure ethical practices. By prioritizing these aspects of business conduct, Barry Callebaut can be of benefit to society and its business partners while stabilizing its financial performance.</p>   |



| Dimension | Sustainability topic          | Description  |
|-----------|-------------------------------|--|
|           | Governance & legal compliance | <p>Topic themes include: prevention and detection of corruption or bribery, political influence and lobbying activities</p> <p>Governance refers to a company's efforts and practices to ensure legal compliance, as well as to prevent and detect corruption and bribery in its operations and activities. This includes implementing compliance management programs, risk assessments, internal control systems and managing political influence and lobbying activities transparently and ethically.</p> <p>A proactive approach can ensure compliance with legal requirements while enhancing Barry Callebaut's reputation and building trust with stakeholders. By implementing clear governance structures and accountability, good governance can contribute to regions' positive development, especially in those where corruption and misconduct are widespread. It can also improve overall business performance by avoiding the negative consequences of bad governance, such as fines, penalties and reputational damage.</p>  |
|           | Taxation                      | <p>Topic themes include: true pricing, carbon tax, ESG taxation</p> <p>Taxation refers to a company's efforts and practices to ensure that its tax obligations align with its commitment to ethical business conduct as well as social and environmental responsibility. Transparency on tax matters, avoidance of tax havens or other forms of unethical tax evasion are essential aspects in this context. By having a tax strategy that aligns with the company's overall values, mission and purpose, Barry Callebaut can ensure that its tax issues align with its long-term goals and contribute to society's and the environment's well-being.</p> <p>ESG-taxes such as carbon-, waste-, and cross border taxation are being implemented to ensure that the prices of goods and services reflect the true environmental and social costs (true pricing).</p> <p>Applying internal ESG costs in the management decision processes can trigger decisions in favor of sustainable solutions and practices. This will increase the resilience of the company over time, anticipate increasing consequences for non-compliance and increase customers' awareness on the impact of buying behavior.</p> |



**Barry Callebaut Head Office**  
Barry Callebaut AG (Head Office)  
Hardturmstrasse 181  
8005 Zurich  
Switzerland

In cooperation with denkstatt GmbH



denkstatt GmbH  
Hietzinger Hauptstraße 28  
1130 Vienna  
Austria