



Sustainable Sourcing Policy for Cocoa Beans

Introduction

Barry Callebaut uses cocoa beans sourced via several supply chains, from trade houses up to farmers. Cocoa bean production faces a number of serious social and environmental sustainability risks. These include forced and child labor, hazardous labor conditions, conflict over land rights, and growing of cocoa in protected forests which needs to be addressed.

Scope

This Policy applies to cocoa beans used in the Barry Callebaut supply chain.

Sustainable Cocoa Principles

The Barry Callebaut Supplier Code lays out our minimum requirements and expectations towards all our Suppliers. Adding on to or specifying the requirements from the Supplier Code, below we highlight some of the main principles which in our view are the foundation for creating a more sustainable cocoa sector:

- Barry Callebaut's cocoa bean suppliers commit to source cocoa from a supply chain which is compliant with The "Cocoa and Forest Initiative (CFI)", signed by Barry Callebaut and members of the Cocoa industry in November 2017.
- Suppliers have to protect and respect land rights, ensure no displacement of the population for cocoa cultivation and protect the natural habitat of cocoa farmers.
- Growing, handling, packing, storing and transporting cocoa should be done in a responsible way in line with international health standards for food products.

Commitment

In order to meet our commitment of 100% sustainable ingredients by 2025, we require all suppliers to work with their supply chains towards the stated principles and to regularly show significant progress. This will be evaluated using accepted industry standards and certification schemes, namely

- Cocoa Horizons
- Rainforest Alliance (including UTZ)
- Fairtrade
- CEN/ISO

We acknowledge that some market participants already work on these principles and we will evaluate these individual company programs against our sustainable sourcing expectations.