News Release

Improving coconut cultivation and farmer livelihoods

Faced with Global Coconut Stockout, Corporates Launch Industry's First Sustainable Charter

BANGKOK/Thailand, November 16, 2020 – With support from the United States Agency for International Development (USAID) Green Invest Asia, leaders from AAK, FrieslandCampina, Harmless Harvest Thailand, Nestlé, and Unilever joined Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, to sign the coconut industry's first <u>Sustainable Coconut Charter</u>. The <u>charter</u> aims to improve farmer livelihoods, lessen the carbon footprint of coconuts and boost supply to meet rising global demand.

Coconut consumption continues to grow globally, increasing its profile as a safe food alternative, but year-on-year rising demand risks emptying shelves of hundreds of coconut and coconut-oilbased products. Wide use of coconut in cosmetic, food and beverage, and pharmaceutical industries has driven rapid growth of the global coconut market. Any supply chain disruption could affect hundreds of products spanning food to pharmaceuticals.

Massimo Selmo, Global Head of Sourcing at Barry Callebaut, said: "The charter is an important milestone on the way to improving coconut cultivation and farmer livelihoods. I am pleased we have succeeded in bringing together key players and stakeholders at one table. This is a challenge that must be tackled together to be successful."

"We are proud to have supported this valuable charter," said Dr. Steven G. Olive, Mission Director of USAID's Regional Development Mission for Asia. "The U.S. government prioritizes working through the private sector to catalyze market reform and reduce greenhouse gas emissions that warm our climate. Guiding tools, such as this charter, create a landscape approach for sustainability in Asia. USAID stands ready to scale this initiative and look forward to more signatories joining."

The Charter is an industry collaboration that defines coconut sustainability, and outlines focus areas, principles and sustainability program goals/ and outcomes in coconut supply chains, which include improving smallholder farmers' income and livelihoods, enhancing supply chain traceability and preventing deforestation and mitigating climate change. It also aims to harmonize buyers' requirements for supply chain partners.

Public Private Partnership to implement the Charter

A Public-Private Partnership (PPP) between seven corporates (Barry Callebaut, Bunge, Friesland Campina, Jacobs Douwe Egberts, Procter and Gamble, and Nestlé), and GIZ (German Development Agency) will implement the Charter to improve sustainability in the Philippines' coconut supply chain, said Matthias Radek, GIZ's Chief Advisor of Agricultural Projects.

Mathieu Chaumont from Harmless Harvest, a U.S.-headquartered company that sells organic coconut water, explained how regenerative agriculture improves soil quality and combats global warming.

Any individual/organization committed to the charter's ambitions and principles, and willing to contribute to the on-going development of more sustainable practices in the coconut industry, including attending an annual roundtable consultation, is invited as signatories. If you would like to learn how Barry Callebaut is aligning with the charter, please contact Natcha Tulyasuwan (natcha_tulyasuwan@barry-callebaut.com).

For more information about the Sustainable Coconut Charter initiative, please visit <u>https://www.sustainablecoconutcharter.com/</u>

About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 6.9 billion (EUR 6.4 billion / USD 7.1 billion) in fiscal year 2019/20, the Zurichbased Barry Callebaut Group is the world's leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs more than 60 production facilities worldwide and employs a diverse and dedicated global workforce of more than 12,000 people.

The 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 <u>Callebaut</u>[®] and <u>Cacao</u> <u>Barry[®]</u>, <u>Carma[®]</u> and the decorations specialist <u>Mona Lisa[®]</u>.

The Barry Callebaut Group is committed to make sustainable chocolate the norm by 2025 to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the <u>Cocoa Horizons Foundation</u> in its goal to shape a sustainable cocoa and chocolate future.

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Contact for the media

Frank Keidel Head of Media Relations Barry Callebaut AG Phone: + 41 43 268 86 06 <u>frank_keidel@barry-callebaut.com</u> Contact for media in Asia Pacific: Shuen Tam Corporate Communications Barry Callebaut Asia Pacific Phone: +65 6486 7118 (Singapore) shuen_tam@barry-callebaut.com