

# Recalculation Policy for Greenhouse Gas Emissions

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## A policy for a credible net zero pathway

To achieve Barry Callebaut's net zero commitment, consistent and accurate tracking of greenhouse gas (GHG) emissions is key. In accordance, the purpose of Barry Callebaut's *Recalculation Policy for Greenhouse Gas Emissions* is to ensure that we can maintain a corporate carbon footprint (CCF)<sup>1</sup> that allows for meaningful and consistent comparisons over time, based on 'like for like'<sup>2</sup> data.

This policy is aligned with the principles and guidance of the Greenhouse Gas Protocol (GHG Protocol)<sup>3,4</sup> and the Science Based Targets Initiative (SBTi)<sup>5</sup> and will be revised according to the developments of their guidelines as well as regulatory requirements within regions where Barry Callebaut has business activities. This document is supplementary to Barry Callebaut's annual statement of its CCF as well as the *Methodology of Corporate Carbon Footprint Calculation* which outlines the principles of the underlying calculations. The annual calculations of Barry Callebaut's CCF (i.e. scope 1, 2 and 3 GHG emissions) are subject to independent limited assurance.

## When is a recalculation necessary?

A recalculation of the CCF reference years (including base year<sup>6</sup> and previous year) can become necessary, if structural changes, methodology changes and/or data errors are identified when calculating the CCF of a reporting year (see section 'Determinants of recalculation'). If a recalculation is conducted, both the absolute emissions and emission intensities (if relevant) must be recalculated. If changes of the determinants cause an increase/decrease in GHG emissions greater than a significance threshold of 1% per reported indicator, a recalculation

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<sup>1</sup> synonymously used for *GHG emission inventory*

<sup>2</sup> called 'like with like' within The Greenhouse Gas Protocol

<sup>3</sup> WRI and WBCSD (2004). The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Revised Edition).

<sup>4</sup> WRI and WBCSD (2005). Base year recalculation methodologies for structural changes. Appendix E to the GHG Protocol Corporate Accounting and Reporting Standard - Revised Edition.

<sup>5</sup> SBTi (2023). SBTi Corporate Net-Zero Standard. Version 1.1, April 2023.

<sup>6</sup> Barry Callebaut uses the fiscal year 2021/22 as the base year of its corporate carbon footprint.

must be conducted in order to ensure consistency in reporting over time. Barry Callebaut may also choose to recalculate reference years for changes less than 1%, if deemed relevant. The significance threshold for recalculations does not affect the materiality threshold of the independent assurance as disclosed in the respective assurance report.

### **Determinants of recalculation**

A recalculation of reference year emissions will be triggered by any of the following cases, if the individual or cumulative impact on the CCF for the reporting year is equal to, or exceeds, the significance threshold.

1) *Structural changes to Barry Callebaut, such as mergers, acquisitions and divestments*

A structural change involves the transfer of operational or financial control of emission-generating activities or operations to, or from, Barry Callebaut. As structural changes due to outsourcing or insourcing cause a shift of emissions between scopes 1, 2 and 3, an emission recalculation for the reference years is necessary to allow Barry Callebaut to separately report these scopes.

2) *Changes in calculation methodology and/or in data availability/quality*

Methodological changes can be caused by updates in external calculation guidelines (e.g. SBTi Corporate Net-Zero Standard) or by more accurate and broader data inputs as activity data or emission factors.

3) *Single or cumulative errors in the original data or calculation*

The following cases will not trigger recalculation:

- Acquisition or divestment of companies or operations (incl. facilities and assets) that did not exist in the reference years.
- Organic growth or decline of Barry Callebaut's activities. This includes production output, changes in product mix, or openings/closures of operating units owned or controlled by Barry Callebaut.