

Sustainable Sourcing Policy for Nuts

Introduction

Barry Callebaut is sourcing different types of nuts in different regions, mostly hazelnuts and almonds among others.

Although **hazelnuts** feature many environmentally favorable attributes, there are also sustainability related challenges that need to be addressed which vary by region, such as poor working conditions, risk of child labor or high quantity of water used in dry regions for example.

Almond growers are often located in water scarce regions and face sustainability challenges related to irrigation. Additionally, almond trees require pollinators to produce fruits. The current loss of biodiversity, observed at large scale in many different regions and especially the decrease of bee populations are challenges which should be mitigated.

Scope

This Policy applies to all nuts suppliers in our supply chain, mainly hazelnuts and almonds among others.

Sustainable Nuts Principles

The Barry Callebaut Supplier Code lays out our minimum requirements and expectations towards all our Suppliers. This document must be signed by all 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 to creating a more sustainable nuts industry:

- Ensure healthy and safe labor conditions and provide decent living conditions for migrant workers.
- Promote the use of good agricultural practices, including nutrient management, pest management, and good environmental practices.

- Increase the efficiency of water use, e.g. through trickle irrigation and engage in and promote water stewardship initiatives (where appropriate).
- Ensure biodiversity preservation.
- Have a no deforestation commitment or policy in place. No particular standard is requested.

Commitment

In order to meet our commitment of 100% certified or verified ingredients in all of our products and traceable to farm level by 2030, we require all suppliers to work with their supply chains towards the stated principles and to regularly show significant progress. This will currently be evaluated using accepted industry standards and certification schemes, such as:

- SAI FSA minimum silver level
- EU Agriculture Organic
- Rainforest Alliance
- Bee Friendly Certification
- California Almond Sustainability Program
- BC's Sustainable Hazelnut Charter

While recognizing that standards are evolving and that we cannot expect all of our suppliers to comply today, we are strongly committed to only work with suppliers who can demonstrate compliance to the above stated standards and principles by 2030.