

Barry Callebaut: Global Environmental Policy

Limitations and Disclaimers

This policy is the Company's general guideline and management reserves the right to apply different terms, as determined in management's sole discretion. This policy can be changed at any time, with or without notice by the employer. Nothing in this policy shall apply to the extent it would be inconsistent with any applicable law.

Global Environmental Policy

Introduction	3
1 Environmental Management System (EMS)	4
1.1 EMS Responsibility	4
2 Raw Materials	5
3 Biodiversity and Reforestation	5
4 Land rights, Land grabs & Conservation	5
5 Water	6
6 Energy	6
7 Packaging	7
8 Waste Management	7
8.1 Product waste	8
8.2 Plastics	8
8.3 Hazardous waste	9
9 Emissions	9
10 Pollution	9
11 Our Suppliers	10
12 Our Leadership Commitment	10

Global Environmental Policy

Introduction

As the world's leading manufacturer of high-quality cocoa and chocolate products, our vision extends beyond the borders of our own company. Ultimately, we want a cocoa industry that is thriving and sustainable, where farmers prosper, communities are empowered, and the environment is protected. The strength, creativity and entrepreneurship of Barry Callebaut comes from the contribution and dedication of our employees. For them and their families, it is essential they live and work in a healthy and sustainable environment.

At Barry Callebaut, our values represent a mindset and way of doing business that is committed to generating sustainable earnings over time and creating long-term value for all stakeholders. Barry Callebaut engages with stakeholder groups to drive a shared vision for the future of the cocoa industry. We are in regular dialogue with employees, customers, investors, media, governments, industry associations, multi-stakeholder initiatives and NGOs and take into consideration their views, expectations or concerns on sustainability matters.

We are dedicated to running all our operations with transparency and integrity, including reporting on our social, environmental and governance (ESG) management and risks. We always seek to understand issues of concern and respond and report on environmental issues accordingly. Our activities and progress towards ensuring the stability of ecosystems, reducing our carbon footprint and achieving a deforestation-free supply chain is reported on an annual basis in our third-party verified [Forever Chocolate Progress Report](#). Furthermore, we publicly disclose additional topics such as Health & Safety, Air Pollution, Water Usage and Compliance via our annual [Global Reporting Initiative](#) (GRI) report.

This Environmental Policy sets out the directions and commitment to monitor and understand the environmental impact of our business activities. We also work to identify and understand the potential impact of our business on climate change and have clear reduction targets. This policy envisages the risks and possible impact from our Barry Callebaut sites and locations, our production activities and supply chain. Further, this policy aims to increase employee awareness and understanding of the potential environmental impacts of one's own actions. In addition, our ambition requires our suppliers to also adhere to the same sustainable practices with similar respect for the environment, ecosystems and biodiversity.

Global Environmental Policy

1 Environmental Management System (EMS)

Running an effective Environmental Management System is instrumental to realize our Environmental strategy and related ambitions. Every location is responsible to run an effective EMS, covering all potential risks and impacts it has on the environment.

Based on a risk assessment, sites are required to implement measures at critical points to capture the environmental impact for all production processes and any other related business activity. Having all measures in place, the total environmental impact is systematically monitored to ensure our activity is in compliance with all relevant regulations and on track with set targets, limits and requirements - internal and external. Any element of this policy as described hereafter needs to be subject of the risk assessment, and, when relevant, be integrated into the EMS.

The EMS is also the basis to drive Continuous Improvement initiatives with the aim to enhance controls and further reduce the possible short and long-term adverse impacts. As a minimum, we analyze root causes of negative performance deviations and implement corrective actions to anticipate similar negative events in the future.

We act responsibly with regard to environmental incidents and act promptly to stop the impact of an incident. Further, our new installations are designed in consideration with a sustainability approach described in this document.

1.1 EMS Responsibility

To ensure that our environmental policy is properly managed, specific responsibilities are assigned at the different layers of our organization.

The Executive Committee takes ownership over this policy and commits to its implementation. Therefore, our global Environmental performance is periodically reviewed and puts in place the necessary resources and structures needed to realize our short and long term objectives.

Every region has assigned an Environmental leader, who coaches and supports the sites with compliance to legislations, managing the Environmental performance and improving controls and performance over time. In addition, Regional leaders take ownership over the Environmental performance. Every local site is required to assign local environmental responsibility to ensure the coverage of the EMS is implemented. With this, the full environmental impact is reflected and systematically reviewed by the local

Global Environmental Policy

management team. The local management team ensures full compliance to all regulatory requirements, that environmental performance is in line with internal targets, and ambitions and improvements are systematically triggered.

2 Our Raw Materials

At Barry Callebaut, approximately half of our volume of sourced ingredients consists of cocoa products and the other half consists of non-cocoa products including dairy, palm oil, coconut oil, nuts, cane sugar, beet sugar, soy lecithin and vanilla. Each ingredient we use faces its own complex supply chain, which varies depending on the geographic region and subsequently presents its own unique sustainability challenges. We continue to [increase the sourcing](#) of sustainable ingredients that do not harm the environment and have no adverse impact on ecosystems or biodiversity. In addition, we are striving to increase customer demand for sustainable products and continue to implement our sustainable sourcing programs across all ingredients.

3 Biodiversity and Reforestation

Cocoa's natural habitat lies under the shade canopies of humid rainforests. With products made from natural resources, we heavily depend on the health of ecosystems. Healthy ecosystems require biodiversity as many plants and animals rely on each other to survive. Ecosystems provide food and water, climate regulation, and soil formation. However, driven by increasing consumer demand, cocoa farming encroachment into forests and other lands has caused deforestation and habitat degradation. We work closely with cocoa farmers and focus our strategy on forest regeneration and protection, assessing deforestation risks, implementing agroforestry and biodiversity strategies and helping farmers to develop cocoa farms that are more resilient to drought and disease, and produce higher yields.

In addition, enhancing on-farm ecosystems can improve pest and disease control and, critically, the need for pesticides and fungicides. Additionally, cocoa grown in the shade is linked to increased biodiversity, carbon sequestration, and nutrient retention in the soil.

Global Environmental Policy

4 Land rights, Land grabs & Conservation

We respect existing land rights and recognize the specific right for indigenous people, their prior rights to their lands and resources and their legitimate authority. We adhere to the Free Prior and Informed Consent (FPIC) rules as described in the ILO Convention No 169.

We comply with legal requirements, licenses and permissions. For all newly acquired land, legal due diligence related to land title is required. We respect the assigned use of land, nature conservation and land from origin forests. It is our ambition to not source any cocoa or any other raw materials coming from the original forest and contribute actively to reconstruct the origin forests as in the origin countries. A critical component for achieving this, is ensuring that we know the exact location of the cocoa farms we are sourcing from. Our monitoring and mapping of cocoa farms covers Cote d'Ivoire, Ghana, Cameroon, Indonesia, Brazil and Ecuador and includes farms within 25 kilometers of national parks, game reserves, forest reserves, and in Cote d'Ivoire classified forests 1 and 2 .

5 Water

We commit to use water resources responsibly, in compliance to all legislations related to water use and disposal.

We continuously investigate to reduce our water usage, to reuse waste water for other purposes to reduce our overall water usage, to minimize water pollution and contamination prior to its disposal.

6 Energy

Our energy strategy aims to minimize our energy usage and carbon emissions as well as promote the usage of renewable sources of energy. We prevent energy consumption where possible and investigate new and more energy efficient technology whilst following regulatory requirements and international standards such as the ISO50001.

Our sites systematically reduce their consumption per ton of processed product, investigate the possibility to apply group good practices in energy efficient solutions, and regularly analyze their production processes to further optimize energy consumption. All of our factories monitor their energy consumption and analyze consumption patterns with the aim to identify

Global Environmental Policy

opportunities to lower their energy use and take action. In addition to reducing our energy consumption, we set targets to systematically replace part of our fossil energy usage by renewable and sustainable energy until the use of fossil energy is phased out.

We already produce part of the renewable energy we consume and continuously investigate opportunities to convert waste from natural and controlled sources into sustainable energy. We have integrated the sourcing of green energy into our energy procurement strategy.

The systematic conversion from grey into green energy, complemented with the impact of our energy reduction, drives our reduction of carbon emission per ton of products produced. With regards to transport, we work to optimize our footprint and transport routes, applying new and more efficient technology and opting for solutions based on the use of renewable energy.

7 Packaging

As a company, we take responsibility for the impact of our packaging material on the environment. This relates to the inbound packaging we receive when procuring raw materials, semi-finished or other products and materials, as to the packaging material we use to deliver our products to our customers.

We continuously seek to minimize this impact by, in order of priority, reducing the amount of material used, switching from less to more environmentally friendly material and converting non-recyclable packaging material into material that can be recycled.

Our ultimate ambition is to avoid use of packaging material that ends-up as non-recyclable waste. Our procurement processes and product design processes integrate the necessary criteria to trigger the above decision process and to steer towards our ambition.

8. Waste Management

Effective waste management contributes to the Environment but is also essential in the protection of the health and safety of our people and the broader communities. Effective waste management is required at all our premises and as a minimum, needs to meet all legal requirements and set targets for improvement.

Global Environmental Policy

Effective waste management means we minimize the use of materials and, with that, directly lower our ecological impact and waste disposal. When we cannot prevent waste, we investigate possible ways to Reuse, Reduce or Recycle (= 3R-methodology). When disposal cannot be avoided, we opt for the most environmentally friendly way to dispose of waste, in line with legal requirements.

Our waste management applies to liquid and solid materials, product and non-product related, production and non-production related products and treatments. We pay special attention to the disposal of hazardous chemicals and products, taking into account their possible impact on the environment.

8.1 Product waste

Working with natural products, we make the most efficient use of raw materials to keep our environmental impact minimal. Throughout our entire supply chain, we minimize product losses and we rework products that fit for human consumption. Any product that gets lost for human consumption requires root cause analysis and elimination.

8.2 Plastics

The use and disposal of plastics has become one of the world's major environmental challenges and a threat for all oceans and their eco systems. While many plastics are single use plastics with a very short lifetime, they remain in the environment for more than one hundred years.

We recognize that the use of plastic, especially the single use plastic, needs to be addressed and as a sustainable company, we contribute to the solution where possible.

While we do not use many plastics for our products, we still need to further question any use and investigate continuous improvement processes as long as we apply single use plastic. Also in our offices and towards employees, we create awareness so that single use plastic gets recognized and systematically eliminated.

8.3 Hazardous waste

We respect license requirements for hazardous materials and only work with licensed and approved hazardous waste vendors. We minimize our use of hazardous material and recycle what can be recycled. What remains as hazardous waste is disposed of in an environmentally safe way, respecting legal requirements.

Global Environmental Policy

9 Emissions

To protect the health of our employees, the people from the communities in which we operate and the environment, we minimize air emission from our operations and control our total impact on the environment.

Our organizations ensure compliance to all legal environmental requirements, including air and carbon emission. We apply the necessary expertise to properly maintain our equipment such as boilers, roasters, generators, and any other possible sources of emission to avoid any excess of emission. We monitor all emissions systematically within the set limits and targets.

With the continuous improvement actions taken in our industrial activity, we systematically minimize our carbon emissions. We make similar considerations to reduce and compensate for the impact of our transportation vehicles and buildings.

10 Pollution

To the extent which is feasible, we prevent and minimize any release of harmful substances and material that contaminates water, soil or atmosphere and to protect the environment, people and animals.

Our organization is aware of possible adverse impacts on communities. In this context, we evaluate and minimize the eventual impact of noise, odor, visual impressions, light pollution, vibrations, etc. We prevent or reduce pollution at the source whenever feasible, switch to the usage of less hazardous alternatives when available in the market, reuse and recycle as much as possible and only consider disposal when none of the previous cascading options are possible.

11 Our Suppliers

We expect all our suppliers to adhere to all legal environmental compliances, to conduct business with respect for the environment and thus, to also comply with the above elements of this policy.

Suppliers are encouraged to set-up an effective EMS, conduct risk assessment, monitor environmental performance and drive continuous improvement techniques to prevent and minimize the impact on the environment.

Global Environmental Policy

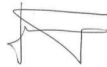
Our [Supplier Code](#) and Sustainable Sourcing Policies lay out the framework for our sustainable sourcing activities and have recently been updated in collaboration with various stakeholders in order to reflect our sustainability strategy and ambitions.

12 Our Leadership Commitment

As Chief Executive Officer and Chief Operations Officer of Barry Callebaut, we understand the importance of mitigating the impact of climate change, deforestation, preserving ecosystems and restoring natural biodiversity. We recognize the direct link it has to the sustainability of our business, our people and communities in which we operate.



Peter Feld
Chief Executive Officer



Jo Thys
Chief Operations Officer