

Letter to Stakeholders

- **Setting a new benchmark for supply chain transparency by prioritizing a rigorous, organization-wide approach to meet the EU Deforestation Regulation (EUDR)**
- **Significant increase in farm mapping to reach almost 670,000 plots, enabling farm-level traceability**
- **Publication of our Net Zero Roadmap to support the Paris Climate Agreement's goal of limiting global warming to 1.5 degrees Celsius**
- **Significant Scope 3 emissions removals through our scaled-up agroforestry approach and establishment of over 33,700 new hectares of agroforestry**
- **Expansion of paid labor groups by nearly +126%, supporting farmers with pre-harvest interventions across more than 44,000 hectares of cocoa farms**

Dear Valued Stakeholder,

Fiscal year 2023/24 presented a challenging landscape for advancing our impact in sustainability, with cocoa prices reaching record levels due to a global shortage influenced by weather and climate factors. However, we remained resolute in our commitment to making sustainable and traceable chocolate the norm.

Best-in-class sustainability is a core promise of our strategic investment program, BC Next Level, and is essential to delivering on our four growth priorities. This year, we strengthened collaborations with sector stakeholders, leveraging on-the-ground expertise to meet customer needs and align with evolving consumer expectations, while promoting ethical practices and reducing environmental impact.

At the core of our sustainability efforts is end-to-end traceability. In fiscal year 2023/24, we made significant progress in building a sustainable and traceable cocoa and chocolate supply chain. The key focus has been implementing a rigorous, organization-wide approach to prepare for the EU Deforestation Regulation (EUDR). This has strengthened our traceability efforts and set a new benchmark for supply chain transparency. We remain committed to be compliant with the EUDR requirements by the new application date to be set out. As such, in 2023/24, our mapping initiatives expanded to cover 669,174 cocoa farm plots, enabling farm-level traceability for cocoa sourced from these farms.

Amid this year's challenging volatility in cocoa bean prices, we increased the proportion of products containing 100% sustainable cocoa or chocolate to 55.5%. This achievement reflects the commitment of our customers and suppliers to a sustainable cocoa and chocolate supply chain, as well as Barry Callebaut's drive to deliver the most sustainable, high-value solutions.



In addition, we published our Net Zero Roadmap, describing how we will support the goal of the Paris Climate Agreement to cap global warming at 1.5 degrees Celsius. We also achieved significant Scope 3 emissions removals through our scaled-up agroforestry approach, with significant carbon removals (-388,433 tCO₂e) and established 33,795 new hectares of agroforestry.

Our paid labor groups program, supported by our customers, expanded by 125.8%, covering nearly 44,000 hectares. Along with boosting cocoa yields, this work has also deepened our engagement with the farmers we source from. As a result, despite bean shortages, the volume of cocoa beans supplied by these farmer groups has remained stable. Furthermore, we commenced partnerships with three international child rights organizations to tackle the socio-economic factors driving child labor and impacting child rights in Côte d'Ivoire, Ghana, and Nigeria. Through these collaborations, we are advancing a new community-based approach to create long-term, community-driven ownership.

Building on our vision first set in Ecuador in 2022, we launched the Future Farming Initiative (FFI) this year—an innovative strategy to scale sustainable, high-tech cocoa farming, beginning with a 5,000-hectare pilot in Bahia, Brazil. Through this project, we aim to set new benchmarks in the industry while sharing our insights and expertise from FFI with partners across all our sourcing regions, supporting their ongoing efforts toward more productive and sustainable cocoa farming.

This year has been an extraordinarily heavy lift, made possible by the expertise, dedication, and hard work of our Barry Callebaut colleagues, sustainability partners, customers, and the invaluable encouragement of our families and friends. Their commitment, passion, and unwavering support have been the foundation of our success.

At the heart of this report, you will find our familiar Forever Chocolate report, enhanced with a more granular explanation of our due diligence processes, aiming to provide a comprehensive picture of our efforts to make sustainable and traceable chocolate the norm.

Together with our customers, we are building a sustainable future of innovation and lasting impact. Do not hesitate to get in touch with Barry Callebaut if you have suggestions or comments on our efforts.



Peter Feld

Chief Executive Officer

